FEDERAL BUILDINGS INITIATIVE

FBI IMPLEMENTATION DOCUMENTS

Model Expression of Interest

Model Request for Proposal

Model for Proposal Evaluation Form

Model Preliminary Agreement

Model Energy Management Service Contract

Model Treasury Board's submission

M27-01-473E

20 July 1995

(aussi disponible en français)

102-03319/

FEDERAL BUILDINGS INITIATIVE

DRAFT

Model Expression of Interest

DISCLAIMER

This model Expression of Interest is provided to departments wishing to identify Energy Management Firms providing energy management services under a First-Out style savings-financing energy management service contract. It is the **responsibility of the department** to adapt this document to meet its own particular requirements and to select the Energy Management Firm who will provide best value for money.

9 December 1994

(aussi disponible en français)

FEDERAL BUILDINGS INITIATIVE

DRAFT

MODEL REQUEST FOR PROPOSAL

DISCLAIMER

This model Request for Proposal (RFP) is provided for departments' use in providing energy and water management improvements using a First-Out style savings financing energy management service contract. It is the **responsibility of the department** to adapt this document to meet its own particular requirements and to select the Energy Management Firm who will provide best value for money.

20 July 1995

(aussi disponible en français)

FEDERAL BUILDINGS INITIATIVE

EXPRESSION OF INTEREST
(OPTIONAL)

PROVISION OF ENERGY MANAGEMENT SERVICES

1.0 PURPOSE

1.1 The Department wishes to create a short list of Energy Management Firms already pre-qualified under the Federal Buildings Initiative. To that effect, responses to this Expression of Interest are requested from Energy Management Firms interested in providing energy and water efficiency improvements as part of a savings-financing arrangement under a First-Out Style Energy Management Service Contract.

2.0 BACKGROUND

2.1 The Department of _____("the Department") is...(*include a short narrative on the department i.e. describe what the department is and its major components or objectives*)

2.2 The Department wishes to undertake energy and water efficiency improvements in facility(ies) located in _____ _____*(state location where project will take place)*. The current energy bill of the facility(ies) is/or are _____ (*state total energy bill for facility(ies) to be included in the project*) while the water energy bill is/or are _____ (*state total water bill for facility(ies) to be included in the project*).

(*Include a short narrative on the project*)

2.3 The Energy Management Firm will have to provide a full range of energy management services including the financing (Lease-financing arrangement are not authorized) of the energy and water efficiency improvements and under a First-Out style Energy Management Service Contract retains 100 percent of the savings generated by the energy and water efficiency improvements until the total project value is paid or until the Energy Management Service Contract has expired, whichever occurs first.

(*Departments may wish to used Shared savings*)

2.4 In order to be invited to participate in the subsequent proposal call , the Energy Management Firm will have to demonstrate that it has... (departments to include screening criteria - such criteria could relate to past experience as prime contractor; financial capability; supervision of projects that include central heating plants or other related projects).

(Screening factors should address specific concerns of the departments with regard to the project to be undertaken)

3.0 **EXPRESSION OF INTEREST**

3.1 Expression of Interest must be received no later than _____ hours,

_____, _____ 19__ to:

(*include contact person name and address*)

3.2 Extension of the deadline period will be at the sole discretion of the Department.

4.0 **MODIFICATION OR WITHDRAWAL OF EXPRESSION OF INTEREST**

4.1 Expression of Interest may be withdrawn or modified, provided such a request is received at the address appearing in clause 3.0 prior to the closing date.

5.0 **CONDITIONS OF SUBMISSION**

5.1 The Department shall not be responsible for costs incurred in the preparation and submission of response to this Expression of Interest.

5.2 The Department reserves the right to reject any or all responses from Energy Management Firms to this expression of interest.

5.3 The Department reserves the right to issue a Request for Proposal following responses received under this Expression of Interest.

REQUEST FOR PROPOSAL

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FEDERAL BUILDINGS INITIATIVE

REQUEST FOR PROPOSAL

PROVISION OF ENERGY MANAGEMENT SERVICES

1.0 **PURPOSE**

1.1 Proposals are requested from Energy Management Firms interested in providing energy and water efficiency improvements as part of a savings-financing arrangement under a First-Out Style Energy Management Service Contract.

2.0 **BACKGROUND**

2.1 The Department of _____("the Department") is...(*include narrative on the department i.e. describe what the department is and its major components or objectives*)

2.2 As a result of a preliminary energy and water audits performed by _____, the Department believes that it can use energy and water more efficiently and substantially reduce the cost of operating the facility(ies) identified in Appendix "B" while, at the same time, reduce the harmful emissions that contribute to acid rain, smog, and other environmental concerns. A summary of the preliminary energy and water audits is attached as Appendix "C".

2.3 The Energy Management Firm will finance the energy and water efficiency improvements and under a First-Out style Energy Management Service Contract, the Energy Management firm will retain 100 percent of the savings generated by the energy and water efficiency improvements until the total project value as outlined in Appendix "D" has been fully recovered or until the Energy Management Service Contract has expired, whichever occurs first.

2.4 Proposals received in response to this Request for Proposal (RFP) will be evaluated in accordance with the criteria contained in

section 13.0. The proposal which satisfies the mandatory criteria and which obtains the highest number of points under the point rated criteria shall be selected. The successful bidder will be invited to enter into a First-Out style Energy Management Service Contract with the Department.

3.0 SPECIAL REQUIREMENTS

3.1 Security Clearance

All personnel who will work on the project will be subject to a security check/clearance.

3.2 Proprietary Information

If an RFP includes any proprietary information or data, such data or information must be specifically identified. The Department agrees that such data and/or information will be used solely for the purpose of evaluating submissions and conducting contract negotiations and will not be divulged to any third party.

3.3 Performance Bond

The Department will require the submission of a performance bond by the successful Energy Management Firm upon agreement of the energy efficiency improvements to be implemented. The performance bond would remain in effect and be subject to forfeiture for non-performance until the equipment/systems are accepted by the Department.

4.0 DEFINITION

4.1 **Baseline Energy Consumption and Demand** means the total annual energy consumption and monthly energy demand of the facility(ies) before the energy efficiency improvements have been made.

4.2 **Energy Management Firm** means the party which will provide the Department with a complete and comprehensive package of professional and technical services ranging from the identification of energy and water savings measures, the analysis and design of energy and water management project(s), the implementation and commissioning of project(s), the energy and water monitoring and facility(ies) manager and operator training during and following the project(s).

4.3 **Energy Management Service Contract** means an arrangement in which a private sector company called an Energy Management Firm provides a Department with a complete and comprehensive turnkey package of professional and technical services in order to implement energy and water efficiency improvements that will reduce energy and water costs at the Department's facility(ies) and which provides for compensation or remuneration for its services out of the Energy and Water Savings which arise from the energy efficiency improvements.

4.4 **Energy Savings** means the energy costs saved as a result of the reduction in energy consumption or demand of the Facility(ies) over a specified period of time determined by comparing the actual energy consumption or demand after the installation of the improvements to the previously established Baseline Energy Consumption and Demand.

4.5 **First-Out Style Energy Management Service Contract** means the type of contract whereby the Management Firm retains 100 percent of the energy and water savings until the total project value as outlined in Appendix "D" has been fully recovered by the Energy Management Firm, or until the energy management service contract has expired, whichever occurs first.

4.6 **Training** means a comprehensive training program aimed at ensuring that facility managers, operators and technicians have the knowledge and practical skills required to operate facilities in an energy-efficient manner.

4.7 **Value of the Energy Management Service Contract** means the value of the contract which is equal to the sum of the Energy and Water Savings plus the annual energy and water costs over the term of the contract (see Appendix "D"). The value of the contract should not be confused with the cost of the energy and water efficiency improvements alone.

4.8 **Water Savings** means the water costs saved as a result of the reduction of water consumption or demand of the facility(ies) over a specified period of time determined by comparing the actual water consumption or demand after the installation of the improvements to the previously established baseline water consumption or demand.

5.0 PERIOD OF CONTRACT

5.1 It is anticipated that the design and construction will begin in _____ 19__ (include date) and that the implementation of the energy and water efficiency improvements will be completed by _____19__ (include date).

6.0 CONTRACT TERM

6.1 As stipulated in Treasury Board of Canada Guideline APB 3800-001 dated 11 February 1992, and amended on 6 April 1995.

7.0 TYPE OF CONTRACT

7.1 The Department will require a First-Out style Energy Management Service Contract, under which the Energy Management Firm retains 100 percent of the energy savings until it recovers all of its costs, including profits or until the contract term is over whichever occurs first.

(Other styles of contract may be entered into with slight amendments to this Request for Proposal and to the Energy Management Service Contract)

8.0 **INQUIRIES**

8.1 All inquiries and requests for clarification regarding any technical aspect of this RFP should be addressed, in writing, to the individual identified below, at least __ ( ) working days before the closing date.

(include name, address, phone and fax number of individual)

8.2 Written responses to inquiries will be sent to all bidders within ___( ) working days.

or

8.2 Written responses to inquiries received prior to _____(include time) on _____(include day) of a given week will be sent simultaneously to all bidders on the following _____(include day).

9.0 **PROPOSAL CLOSING DATE**

9.1 _____( ) copy(ies) of the proposal must be received no later than _____ hours,

_____, _____ 19__ to:

(*include contact person name and address*)

(Closing date should be no less than 40 days from publication date in order to meet North American Free Trade Agreement (NAFTA requirements).

9.2 Extension of the bidding period will be at the sole discretion of the Department.

10.0 MODIFICATION OR WITHDRAWAL OF PROPOSALS

10.1 Proposals may be withdrawn or modified, provided such a request is received at the address appearing in clause 8.0 prior to the proposal closing date.

11.0 ADDENDA

11.1 In the event it becomes necessary to revise any part of this RFP, addenda will be provided to all Energy Management Firms who received the basic RFP.

12.0 PROPOSAL FORMAT INSTRUCTIONS

12.1 Proposals are to be prepared using metric units. Imperial units may be used when metric units are not available.

12.2 It is essential that in its proposal brief, the Energy Management Firm provide the following information:

12.3 Financial Information

12.3.1 The estimated term (length) of the Energy Management Service Contract and the proposed termination date.

12.3.2 The proposed interest rate to be charged by the Energy Management Firm for the term of the contract.

12.3.3 The type and cost, if any, of guarantee on energy and water savings.

12.3.4 The nature and the amount of any grants, contributions, utility or manufacturer incentives to be received by the Energy Management Firm in relation to the energy efficiency improvements.

12.3.5 An estimate of the annual energy savings by fuel type (electricity, natural gas and oil) expressed in both energy (MJ) and dollar terms. Projected energy savings must be based on current utility rates.

12.3.6 An estimate of the annual water savings expressed in both water use and dollar terms. Projected water savings must be based on current utility rates.

12.3.7 The simple payback period (cost/savings) for each energy efficiency improvement with and without any applicable incentives.

12.3.8 The total project cost including a breakdown of costs as outlined in Appendix "D".

In completing Appendix "D", the Energy Management Firm must use the following assumptions in all financial calculations:

a. If it is necessary to inflate any costs, the Energy Management Firm must clearly identify the annual rate of inflation used. (*Departments might want to provide rates to the Energy Management Firm*)

b. Projected annual energy and water savings must be based on current utility rates.

c. Include the list of labour, material and mark-up for total and individual elements when calculating the total project cost.

12.4 Technical Information

12.4.1 An assessment of the energy and water bills over the last two (2) years for each facility to determine and justify an appropriate energy and water consumption baseline.

12.4.2 Description of the methodology used for establishing the baseline energy and water consumption and energy demand.

12.4.3 Estimate of the annual energy savings by energy source for each facility that should result from the energy efficiency improvements.

12.4.4 Estimate of the annual water savings for each facility that should result from the implementation of the water efficiency improvements.

12.4.5 Description of the software system to be used to analyze and calculate energy and water savings over the life of the Energy Management Service Contract.

12.4.6 Evaluation of the cogeneration potential at the facility(ies) for internal use and for resale (*if specified by the Department*).

12.4.7 Description of the overall technical and engineering approach proposed for the implementation of the energy and water efficiency improvements. If applicable, based on the preliminary energy and water audit, a description of alternative measures that may be considered and why certain measures recommended in the preliminary energy and water audit have been rejected.

12.4.8 A list of the proposed energy and water efficiency improvements, including any changes in operating and maintenance practices, by energy and water use for each facility.

12.4.9 A list of the estimated energy and water consumption and/or demand reduction following implementation of each energy and water efficiency improvements. The interactive effects on operation of the facility(ies) must be considered.

12.4.10 Detailed indication of the specific approaches to be used to define training needs and to providing or arranging for training required by facility(ies) managers and operating staff as a result of the proposed energy and water efficiency improvements.

12.4.11 An estimate of the service life for each energy and water efficiency improvement to be based on the forecast levels of use at the facility(ies) in question.

12.5 **Implementation Information**

12.5.1 An implementation plan for the energy and water efficiency improvements indicating the specific steps to be taken and the estimated elapsed time from the signing of the Energy Management Service Contract until the improvements becomes fully operational.

12.5.2 Detailed indication of the specific approaches that will be used to keep the facility(ies) functioning to the satisfaction of the Department during the implementation of the energy and water efficiency improvements.

12.5.3 Details on all disruptions of the Department's activities caused by implementation of each of the proposed energy and water efficiency improvements.

12.5.4 Detailed explanation of the firm's approach to the provision of the following services and information during the implementation of the energy and water efficiency improvements:

(a) supporting the Department in its task of informing facility occupants about the impact of the energy and water efficiency improvements on their workplace;

(b) reviewing and updating of existing operating manuals and providing all required operating manuals, updated as built drawings of all mechanical and energy/water management systems, and other written specification of equipment including manufacturer's warranties for new systems and equipment or for systems and equipment affected by the improvement projects; and

(the Department can specify the format in which all final drawings for buildings and systems have to be provided)

(c) the Energy Management Firm's strategy and policy with regard to the selection, price and delivery of equipment to be installed in the Department's facility(ies). Describe what input the Department has with respect to equipment selection.

12.5.5 Details on the reporting and communication protocols that will be followed to keep the Department informed of the project's progress and performance and to deal with emergencies, and the circumstances in which Department approvals and consultations will be sought.

12.6 **Operation and Maintenance Information**

12.6.1 Estimated increase or decrease in operating and maintenance costs caused by each proposed energy and water efficiency improvement.

12.6.2 Details on the preventive maintenance approaches that will be recommended for the existing, modified and new energy and water consuming equipment and systems.

(*Department should state who will do the preventive maintenance*)

12.6.3 Details on the approaches that will be used to monitor the level and duration of services, energy and water consumption, energy and water demand and energy and water savings over the life of the Energy Management Service Contract including the nature, frequency and types of reports, meetings, etc.

12.6.4 Details on any equipment which is non-permanent and not an integral part of the energy and water efficiency improvements (e.g. monitoring systems) for which the Energy Management Firm wishes to retain ownership over the life of the Energy Management Service Contract.

12.6.5 Details on the approaches that will be used to maintain all energy and water efficiency improvements, equipment and systems installed and affected by the energy and water efficiency improvements during the contract term.

(It is up to Departments to indicate if they wish the Energy Management Firm to undertake the maintenance).

12.7 **Project Management Information**

12.7.1 The name, qualifications and experience of the project manager (the person with prime responsibility and accountability for project performance) and the name, qualifications and experience of a first-substitute project manager.

12.7.2 Organization chart of the personnel that will work on the project and description of interactions within the team.

12.7.3 Qualifications, experience (include proof of two (2) years of experience in energy and water efficiency improvements) and hourly rate schedule of proposed key personnel on the project.

12.7.4 Qualifications and experience of personnel from external resources to be used on the project, including proof of two (2) years of experience in energy and water efficiency improvements.

12.7.5 Identify the area of shared responsibilities between the Energy Management Firm and the external resources.

12.7.6 Estimate of, and justification for, the percentage of gross project costs that will be paid to external resources.

12.8 **Training information**

12.8.1 The specific approaches to identifying and delivering training to facility managers, operators and technicians as a result of the proposed energy and water efficiency improvements;

12.8.2 An outline of the extent of the proposed training for facility managers, operators and technicians in order to ensure sustainability of the proposed energy and water efficiency improvements;

12.8.3 Description of the methodology used to assess the training needs of facility managers, operators and technicians;

12.8.4 A breakdown estimate of the cost of training;

12.8.5 The name, qualifications, and past experience of the training institute or personnel that will provide the training;

12.8.6 The identification of areas of shared responsibilities between the Energy Management Firm, the Department and external resources; and

12.8.7 A description of the specific training role that the Department will be required to play.

13.0 EVALUATION CRITERIA

13.1 Mandatory Criteria

13.1.1 Pre-Proposal Bidder's Conference

A representative of the interested Energy Management Firm must attend a pre-proposal bidder's conference. Proposals received from Energy Management Firms which have not had a representative attend the pre-proposal conference will not be considered.

During this conference, questions from potential Energy Management Firms with regard to particulars set forth in this document will be answered.

(*Departments should indicate date and time of bidder's conference*)

13.1.2 Visit of the Facility(ies)

Energy Management Firms must visit the facility(ies) site(s), examine all relevant facility(ies) structures and equipment, review drawings and existing audits if any, familiarize themselves with the existing conditions and limitations, and review any additional information made

available by the Department. Visits will be scheduled following the pre-proposal bidder's conference. All visits will be scheduled during normal business hours.

(If the Department elects not to hold a bidder's conference, the Department shall inform bidders of the schedule for visits to the facility(ies))

(Departments should clearly state their normal business hours).

13.2 Point Rated Criteria

(Departments should vary the point rating and criteria to satisfy their own needs)

13.2.1 Financial Information

The proposed interest rate to be charged by the Energy Management Firm	20
The payback period (cost/savings) for each energy efficiency improvements with and without any applicable incentives	20
Clarity and completeness of energy and water savings calculations	20
Total project cost breakdown clear and concise	20
Attractiveness and flexibility of buy-out option	20
TOTAL	100

13.2.2 Technical Information

Justification and completeness for the determination of the baseline	20
Clarity of the methodology used to establishing the baseline	10
Extent of energy and water savings estimate	10
Clarity and completeness of energy and water savings estimate	20
Clarity, creativity and completeness of the overall technical and engineering	

approach proposed for the implementation of the energy and water efficiency improvements.	20
Proposed alternative measures	10
Compatibility of proposed software system with existing systems	10
TOTAL	100

13.2.3 Implementation Information

Clarity and completeness of implementation plan for the energy and water efficiency improvements	20
Approach to monitoring of energy and water savings	10
Detailed indication of the specific approaches to be used to define training needs	10
Completeness of training for facility(ies) manager(s) and operators	10
Proposed employee awareness program	10
Specific approaches that will be used to keep the facility(ies) functioning during the implementation of the energy and water efficiency improvements	10
Details on the reporting and communication protocols	10
Approach to reviewing and updating of existing operating manuals and providing all required operating manuals, updated as built drawings of all mechanical and energy water management systems, and other written specifications	10
Strategy and policy with regard to the selection, price and delivery of equipment to be installed	10
TOTAL	100

13.2.4 Operation and Maintenance Information

Increase or decrease in operating and maintenance costs clearly identified	25
Approach used to maintain all energy and water efficiency improvements	20
Preventive maintenance approach during the project	20

Preventive maintenance approaches recommended after the project	15
Clarity and completeness of preventive maintenance approaches	20
TOTAL	**100**

13.2.5 Project Management

Qualifications and experience of key personnel on the project	35
Organization of the personnel that will work on the project	15
Qualifications and experience of personnel from external sources to be used on the project	20
Degree and area of shared responsibilities between the Energy Management Firm and the external sources	15
Identification of area of shared responsibilities between the Energy Management Firm and the Department	15
TOTAL	**100**

13.2.6 Training Information

The proposed approach for delivering training to facility managers and operators	15
Extent of the proposed training to facility managers and operators	25
Clarity of the methodology used to assess training to facility managers and operators	25
Clarity and completeness of training program	25
Training cost breakdown clear and concise	10
TOTAL	**100**

13.3 **Point Rated Criteria Weighting**

Each category of the point rated criteria will be weighted as follows:

Financial	100 points x	0.25 =	25%
Technical	100 points x	0.25 =	25%
Implementation	100 points x	0.20 =	20%
Operation and Maintenance	100 points x	0.10 =	10%
Project Management	100 points x	0.10 =	10%
Training	100 points X	0.10 =	10%
TOTAL			100%

(*Note that weighting here is only a sample and should be customized by departments*).

14.0 **BASIS OF SELECTION**

14.1 To qualify for selection, Energy Management Firms must achieve a minimum of __ points (*or percent*) on each of the categories of the Point Rated Criteria.

14.2 The successful Energy Management Firm will be the one with the highest number of points (*or percent*) in the Point Rated Criteria.

15.0 **ORAL PRESENTATION**

15.1 Each of the Energy Management Firms invited to submit a proposal will be required to make an oral presentation to the Department to discuss their approach in implementing the energy and water efficiency improvements and to provide an opportunity for mutual questions.

The presentations will be made between _____ (include dates) inclusive. They will last no longer than _____(include duration of presentation in hours), breaks included. The date and exact location

of the presentation will be communicated on _____(include date).

16.0 **CONDITIONS OF SUBMISSION**

16.1 The Department shall not be responsible for costs incurred in the preparation and submission of proposals in response to this RFP. The Department reserves the right to reject any or all proposals submitted, or to accept a proposal in its entirety without negotiation.

16.2 Proposals submitted must be valid for __( ) working days from the closing date.

16.3 Any Energy Management Service Contract resulting from this RFP will be subject to departmental general contract conditions or any other special conditions which may apply attached as Appendix "E".

(*Include departmental general contract conditions*)

17.0 **PROPOSED BASIS FOR PAYMENT**

17.1 The Department will continue to pay the Energy Costs directly to the utility(ies) and/or other energy suppliers.

17.2 Although the value of the Energy Costs is included in the Total Project Costs, the Energy Management Firm is not liable for such costs.

17.3 The Department shall pay each month to the Energy Management Firm a sum equal to one twelfth of the estimated annual Energy Savings from the Commencement Date until the Total Project Costs have been fully paid or until the Payback Period ends, whichever occurs first.

17.4 The payment outlined in 17.3 will be adjusted as follow:

a) In the event that the monthly estimated Energy Savings exceeds the actual monthly Energy Savings, the amount of any such excess shall be paid by the Energy Management Firm to the Department.

however,

b) If the monthly estimated Energy Savings are less that the actual monthly Energy Savings, the Department shall pay to the Energy Management Firm a sum equal to the actual monthly Energy Savings.

17.5 Any outstanding balance of the Total Project Costs at the end of the Payback Period must be absorbed by the Energy Management Firm.

18.0 PAYMENTS PROCEDURE

18.1 The Department will consider any request from the Energy Management Firm to remit and deliver all payments due to it to a third party in the form of a direction of payments or assignment of debt.

19.0 ADDITIONAL PROVISIONS

19.1 The first phase of the Energy Management Service Contract will be the delivery of a detailed energy and water feasibility study of the facility(ies) outlined in Appendix "B" within _____ ( ) working days after final selection to confirm the findings of the savings identified in the proposal bid. The detailed energy and water feasibility study will be used to finalize the Energy Management Service Contract.

19.2 The Energy Management Service Contract may be amended by mutual consent in order to accommodate any changes or modifications that took place in the facility(ies).

19.3 If, in the opinion of the successful Energy Management Firm, the energy and water feasibility study reveals that the net Energy Savings will not be sufficient to fully cover the total project cost, then the Energy Management Firm, at its sole discretion, may terminate the Energy Management Services Contract. In this instance, the Department will not reimburse the Management Firm for the energy and water feasibility study or any other work undertaken by the Management Firm in relation to the project.

19.4 If it is found however that only the net Water Savings of an energy/water proposal will not be sufficient to fully cover the water portion of the project value then the Energy Management Firm, at its sole discretion, may remove the water efficiency component from the Energy Management Services Contract.

or

19.4 If the detailed energy and water efficiency feasibility study reveals that the net Energy Savings will not cover the total project costs, then the Department reserves the right to redefine the scope of the project so as to achieve a project in which the savings cover the total project value, or to establish the extent to which it is prepared to make up the shortfall in order to carry out the project in full or in modified form. If the Department decides not to exercise this right, the Energy Management Firm may then terminate the Energy Management Service Contract. In this instance, the Department reserves the right to become full or part owner of the proposal and/or the feasibility study and/or the concepts, in return for compensation not exceeding _____ (include amount of money).

(if you elect to use the above paragraph, then include another paragraph stating the following)

If the scope of the project is reduced in accordance with the provisions of section 19.4, the Department shall remain the owner of the rejected measures at no cost. The Department may ask the

Energy Management Firm to implement the rejected measures. at a cost to be negotiated, at any time during the life of the Energy Management Service Contract. The Department will be able to implement the rejected measures on its own at any time, and without necessarily using the services of the Energy Management Firm.

19.5 If, after the feasibility study, the annual net Energy Savings are determined to be less than 90 per cent of the annual net Energy Savings identified in the Proposal, or if the key elements of the project are significantly different from what is contained in the Proposal, the Department, at its sole discretion, may terminate the Energy Management Services Contract. The Energy Management Firm will not be reimbursed for the cost of the feasibility study or any other work undertaken by the Energy Management Firm in relation to the project.

or

19.5 If, after the feasibility study, the annual net Energy Savings are determined to be less than 90 per cent of the annual net Energy Savings identified in the Proposal, or if the key elements of the project are significantly different from what is contained in the Proposal, the Department, at its sole discretion, may terminate the Energy Management Services Contract, in which case the Department reserves the right to become full or part owner of the proposal and/or the feasibility study and/or the concepts, in return for compensation not exceeding _____ (include amount of money).

19.6 If, after the detailed water audit, the annual net water savings are determined to be less than 75 per cent of the annual net water savings identified in the Proposal, or if the key elements of the project are significantly different from what is contained in the Proposal, the Department, at its sole discretion, may terminate the water component of the Energy Management Services Contract. The Energy Management Firm will not be reimbursed for the cost of the detailed water audit or any other work undertaken by the Energy Management Firm in relation to the project.

or

19.6 *If, after the detailed water audit, the annual net water savings are determined to be less than 75 per cent of the annual net water savings identified in the Proposal, or if the key elements of the project are significantly different from what is contained in the Proposal, the Department, at its sole discretion, may terminate the water component of the Energy Management Services Contract, in which case the Department reserves the right to become full or part owner of the water component of the proposal and/or the feasibility study and/or the concepts, in return for compensation not exceeding _____ (include amount of money).*

20.0 **PROPOSAL CONTENT**

20.1 The content of this RFP will become part of the Energy Management Service Contract and therefore, the Energy Management Firm must be prepared to use the information within as the basis for the Energy Management Service Contract.

21.0 **PROPOSED SCHEDULE**

21.1 See the detailed schedule in appendix ___.
(*Departments to provide an implementation calendar*)

or

21.1 The Energy Management Service Contract will be awarded by the end of _____199_. The energy efficiency improvements should be completely operational by _____199_. The water efficiency improvements should be completely operational by _____199_.

22.0 ATTACHMENTS

Appendix "A"- General Scope of Work.
Appendix "B"- Site, Building(s) and/or Complex map.
Appendix "C"- Departmental energy and water audit.
Appendix "D" - Total project cost summary.
Appendix "E" - General Conditions.
Appendix "F"- Annual update.
Appendix "G"- Draft Energy Management Service Contract.

APPENDIX "A"

GENERAL SCOPE OF WORK

(Departments can vary the general scope of work to satisfy their own needs)

1.0 To undertake project management and related responsibilities and duties as required to carry out energy efficiency and water improvements in the Department's facility(ies) listed in appendix "B".

2.0 In accordance with Treasury Board of Canada Guideline APB 3800-001, to procure the initial capital required for project financing.

3.0 Where applicable, to review existing relevant energy audit reports of the Department's facilities, to conduct a detailed energy audit or a feasibility study which will examine the existing facilities, physical plant, systems and equipment, and to assess the potential reduction in energy consumption and energy demand, and develop the concept of the energy efficiency improvements related to: lighting, motors, heating, ventilation and air conditioning, envelope improvements, cogeneration project, control systems and fuel conversions.

(*Department to describe the implementation package as desired*)

4.0 Where applicable, to review existing relevant water audit reports of the Department's facilities, to conduct a detailed water audit or a feasibility study which will examine the existing facilities, physical plant, systems and equipment, as well as landscaping and or agricultural uses as appropriate and to assess the potential reduction in water consumption and water demand, and develop the concept of the water efficiency improvements related to: heating and cooling systems, plumbing fixtures, lavatory use, washing operations eg: for aircraft and vehicles, agricultural and/or landscaping, envelope improvements, and control systems.

5.0 To prepare financial and technical proposals to permit the Department to clearly understand what energy and energy efficiency improvements are being recommended, the total cost of the improvements, the breakdown by cost of engineering services; acquisition and installation of equipment; building manager and operator training requirements; monitoring and financing; potential energy and water and operating savings; and where applicable, the level of the utility incentives in order to estimate the length of contract and the Energy Management Firm recovery period.

6.0 To assess energy and water bills for the facility(ies) over the ____ ( ) fiscal years immediately prior to the signing of the energy management service contract in order to determine the appropriate unadjusted energy and water consumption and energy demand baselines.

7.0 To design, engineer, acquire, install and commission all equipment and systems necessary for the energy and water efficiency improvements with complete responsibility as would be assumed by a general contractor including but not limited to:

7.1 The verification of sub-contractor(s) qualifications and expertise and assurance that they meet the necessary requirements as established under the Federal Buildings Initiative and specific utility's Energy Management Programs;

7.2 The preparation of tender documents and the presentation of these documents to the potential sub-contractor(s), in order to obtain pricing with respect to implementation of the improvements in the Department's facilities;

7.3 The awarding of a contract(s) to one or more sub-contractors who will implement the improvements in the Department's facilities.

8.0 Wherever practicable and economical, to employ and use only Canadian labour and materials in the execution of the energy and water efficiency improvements. The labour shall be from the locality where the work is being performed to the extent to which it is available, and the Energy Management Firm shall use the services of the Canada Employment Centres for the recruitment of workers whenever practical .

9.0 To provide information manuals on preventive maintenance procedures, requirements, inspection and repair programs for all new and affected existing equipment and systems.

10.0 To maintain all energy and water efficiency improvements, equipment and systems installed and affected by the energy and water efficiency improvements during contract term

(*To be determined by Department*).

11.0 To establish and implement a quality assurance program in accordance with specific utility Energy Management Programs for inspection and verification of work and to report to the utility and the Department.

12.0 To select and implement an energy and water monitoring system to ensure that energy and water savings can be accurately measured against expectations, and provide the necessary training and advice to Department personnel so that they can reasonably interpret and validate monthly energy and water savings reports. Report monthly to the Department on the performance of the energy and water efficiency improvements, energy and water and operating cost savings, variances, and applicable corrective actions.

13.0 To identify training requirements and provide and/or arrange for training of departmental facility managers and operating staff on new and modified systems installed, to ensure permanence of energy and water savings beyond the energy management service contract term, review and update existing operating manuals, drawings and other written instructions for new equipment and systems.

14.0 To provide support for the Department in its task of providing information to Departmental employees to inform them of the benefits of energy and water efficiency improvements and their effects on the workplace.

15.0 To ensure that during the execution and upon completion of the energy and water efficiency improvements, the work site is cleared and cleaned and all hazardous wastes are disposed of in accordance with relevant standards and guidelines.

16.0 To ensure when normal departmental functions are expected to be carried out during regular business hours and energy and water efficiency improvement work is to be implemented in off-business hours, that site clean-up is completed before regular business hours begin.

17.0 To ensure that development and implementation of energy and water efficiency improvements adhere to the requirements of the Canada Occupational Safety and Health Regulations, the Treasury Board Safety and Health Standards and all applicable building codes.

(*Departments can also refer to the FBI Health and Safety Guidelines which describes all relevant codes and identifies "Best Practices" in energy management projects to ensure no deterioration to the health, safety, comfort and productivity of facility occupants as a result of the project.*)

18.0 To provide an annual update to Natural Resources Canada on the status of the Energy Management Service Contract as outlined in Appendix "F".

19.0 To obtain and administer all rebates, incentives, grants and any other financial and non-financial benefits available from utilities and other sources.

20.0 To identify cogeneration opportunities.
(*If required by the Department*)

21.0 To attend and report on meetings, at least every ___( ) months. with departmental project officials.

22.0 To administer warranties on energy and water efficiency improvements, equipment and systems installed.

APPENDIX "B"

SITE, BUILDINGS and/or COMPLEX MAP
(provided by the Department as part of the RFP)

1.0 **Facility Information**

1.1 Identification/Description of the facility(ies).

1.2 The age of the facility(ies).

1.3 The remaining useful life of the facility(ies).

1.4 The number of occupants in the facility(ies).

1.5 Future occupancy plans in the facility(ies)

1.6 A list of known deferred maintenance projects, or major renovation plans.

1.7 The normal business/working hours for each facility.

1.8 All energy bills (electricity, natural gas, oil) for the facility(ies) over the previous *24* months.

1.9 All water bills, not related to energy use, over the previous 24 months.

1.10 A listing of energy and water efficiency improvements undertaken in the facility(ies) over the past 24 months.

1.11 A summary of current maintenance practices.

1.12 An inventory (a list) of all major equipment in the facility(ies) including equipment size or capacities.

1.13 An assessment of the condition of energy consuming

equipment and systems including lighting fixtures and ballasts that would be affected by the proposed work.

1.14 An assessment of the condition of water consuming and or using equipment and systems including cooling and heating systems and pumping and plumbing equipment that would be affected by the proposed work.

1.15 A list of contractors currently servicing the facility and its equipment including the type and duration of service contracts.

1.16 Facility(ies) systems and architectural drawings.

1.17 A list of areas with special occupant requirements different from normal facility(ies) standards.

1.18 A list of all known PCB, Asbestos and any other dangerous material by facility(ies).

APPENDIX "C"

EXISTING PRELIMINARY ENERGY AND WATER AUDITS

(Department attaches summaries of existing relevant preliminary energy audits conducted on the facility(ies) such as utility walk-through audits)

(For Management Firm to fill out)

APPENDIX "D"

TOTAL PROJECT COST SUMMARY

($)

	INT. LABOUR	EXT. LABOUR	SUPPLIERS & MATERIALS	O/HEAD & PROFIT	TOTAL PRICE
Energy Analyses					
Water Analyses					
Commissioning					
Engineering					
Monitoring					
Training					
Project Management					
Project Construction					
Administration					
Maintenance					
Allowance for risk					
Financing Charges					
Performance Guarantee					
Gross Project Cost					

Incentives: specify _____ $_____

_____ $_____

_____ $_____

Project Cost Net of Incentives _____

Annual Energy Savings _____

Annual Water Savings --------

Payback in years (=Term of Contract) _____

APPENDIX "E"

GENERAL CONDITIONS

(Describe Departmental General or specific Conditions)

APPENDIX "F"

MANAGEMENT FIRM ANNUAL UPDATE TO NATURAL RESOURCES CANADA FEDERAL BUILDINGS INITIATIVE

(all current dollars)

For FBI office use - do not fill in

1. Contract ID Number
2. Facility ID Number

Please provide the following information:

3. Name of Energy Management Firm
4. Name of Department
5. Start Date of Contract
6. Year of Contract (e.g. first, second, third, etc)
7. Current Date
8. Province of Contract
9. How many facilities under this contract?
   (If possible, prepare a separate Update form for each facility)
10. Facility Type
    - Residential O
    - Commercial :
      - Small Office (<100,000 sq ft) O
      - Large Office (>100,000 sq ft) O
      - Warehouse O
    - Institutional:
      - Hospital/Nursing Home O
      - Schools O
      - Other (Specify) O
    - Agricultural O
    - Other (Specify) O

11. Floor Area of Facility(ies) (m^2)
12. Gross Cost of Efficiency Improvements ($)
    (includes analysis, management, supplies, labour, financing charges, administration, profit and overhead)
13. Incentives/Rebates($)
14. Cost of Efficiency Improvements *Net of Incentives* ($)
15. Value of Energy Management Service Contract ($)
    *(= (annual energy bill+ annual savings)*length of contract)*
16. Change in annual operating costs (specify rise or fall)($)
17. Type of Project:
    (check off those which apply)

	Lighting :	O	Motors :	O
O	Compact Fluorescent	O	High Efficiency	
O	Electronic Ballasts	O	Variable Speed Drives	
	Electromagnetic Ballasts	O	Other (Specify)	O
	Reflector Systems	O		
	Efficient Lamps (T-8 etc.)	O	HVAC:	O

O	Daylight Controls	O	High Efficiency Chillers	
	Occupancy Sensors	O	Multi-Stage Compressors	O
	High Intensity Discharge	O	Economizers	O
	Other (Specify)	O	Control Systems	O
			Variable Air Volume	O
	Building Envelope:	O	Load Control (cycling)	O
	Insulation	O	Heat Pumps	O
	Building Weatherization	O	Space Heaters	O
	Glazing and Glazing Control	O	Air Conditioners	O
	Other (Specify)	O	Dehumidification	O
			Thermal Storage	O
			Gas Cooling	O
			Heat Recovery	O
			Other (Specify)	O
	Demand Controls:	O	Refrigeration :	
	Direct Load Control	O	High Efficiency	O
	Distributed Load Control	O	Other (Specify)	O
	Energy Management System	O		
	Other (Specify)			
	Water Heating :		O Cogeneration	O
	Load Control (cycling)	O	Other (specify):	O
	High Efficiency	O		
	Heat Pump Water Heater	O		
	Solar Assisted	O		
	Other (Specify)	O		

	Water Distribution:		Water Use:	
	Piping	O	Toilets	O
	Pumps, Valves	O	Urinals	O
	Reservoirs, Holding Tanks	O	Faucets, Sinks	O
	Flow Meters	O	Showers	O
			Fire and Wash Hoses	O
			Drinking Fountains	O
			Cooling Units	O
			Other	O

18. Training of Facility Managers/Operators (specify dates)
Commenced _____ Finished _____

19. **Energy Use and Savings**
Energy Units

	Potential Annual Savings (as identified in contract)	Actual Current Energy Use	Annual Energy Savings This Year
Gas (m^3)			
Oil (litres)			

Electricity (kWh)
Demand (kW)
Other (specify)

Water Use and Savings*

Water (w3)
Water ($)
Other ($)

* includes water and sewer charges

Dollar Value

	Potential Annual Savings (as identified in contract)	Actual Current Energy Use	Annual Energy Savings This Year
Gas ($)			
Oil ($)			
Electricity ($)			
Demand ($)			
Other ($) (specify)			

Adjustments and Modifications (since last report)
i.e. Designed to capture all significant variances from the baseline energy use **(water use)**, estimate and the time when the variance occurred. Examples are: utility rate changes, changes in use of the facility (occupancy, hours of use), changes in incentives from utility, changes in materials use that affects energy.

Date	Type	Description
_____	_____	_____
_____	_____	_____
_____	_____	_____

Report Reference

FOR THE ENERGY MANAGEMENT FIRM

Report completed by _____

Date _____

FOR THE DEPARTMENT

Report Reviewed by _____

Date _____

APPENDIX "G"

DRAFT ENERGY MANAGEMENT SERVICE CONTRACT

FEDERAL BUILDINGS INITIATIVE
REQUEST FOR PROPOSAL EVALUATION FORM

Disclaimer

This model Request for Proposal (RFP) Evaluation Form is provided for department's use in scoring responses to its RFP. It is the responsibility of the department to adapt this document to meet its own particular requirements and to select the Energy Management Firm who will provide best value for money.

FEDERAL BUILDINGS INITIATIVE
RFP EVALUATION FORM

FIRM: _____ DATE: _____

FINANCIAL INFORMATION	POINT VALUE	COMMENTS	SCORE
The proposed interest rate to be charged by the Energy Management Firm			
The payback period (cost/savings) for each energy efficient improvement with and without any applicable incentives			
Clarity and completeness of energy and water savings calculations			
Total project cost breakdown clear and concise			
Attractiveness and flexibility of buy-out option			
TOTAL		TOTAL	

TECHNICAL INFORMATION	POINT VALUE	COMMENTS	SCORE
Justification and completeness for the determination of the baseline			
Clarity of the methodology used to establishing the baseline			
Extent of energy and water savings estimate			
Clarity and completeness of energy and water savings estimates			
Clarity, creativity and completeness of the overall technical and engineering approach proposed for the energy and water efficiency improvement			
Proposed alternative measures			
Compatibility of proposed software system with existing system			

TOTAL		TOTAL	

IMPLEMENTATION INFORMATION	POINT VALUE	COMMENTS	SCORE
Clarity and completeness of implementation plan for the energy and water efficiency improvements			
Approach to monitoring of energy and water saving			
Detailed indication of the specific approaches to be used to define training needs			
Completeness of training for facility(ies) manger(s) and operators			
Proposed employee awareness program			
Specific approaches that will be used to keep the facility(ies) functioning during the implementation for the energy and water efficiency improvements			
Details on the reporting and communication protocols			
Approach to reviewing and updating of existing operating manuals and providing all required operating manuals, updated as built drawings of all mechanical and energy water management systems, and other written specifications			
Strategy and policy with regard to the selection, price and delivery of equipment to be installed			

TOTAL		TOTAL	

OPERATION AND MAINTENANCE INFORMATION	POINT VALUE	COMMENTS	SCORE
Increase or decrease in operating and maintenance costs clearly defined			
Approach used to maintain all energy and water efficiency improvements			
Preventive maintenance approach during the project			
Preventative maintenance approaches recommended after the project			
Clarity and completeness of preventive maintenance approaches			

TOTAL		TOTAL	

PROJECT MANAGEMENT	POINT VALUE	COMMENTS	SCORE
Qualifications and experience of key personnel on the project			
Organization of the personnel that will work on the project Qualifications and experience of personnel from external sources to be used on the project			
Degree and area of shared responsibilities between the Energy Management Firm and the external sources			
Identification of area of shared responsibilities between the Energy Management Firm and external sources			

TOTAL		TOTAL	

TRAINING INFORMATION	POINT VALUE	COMMENTS	SCORE
The proposed approach for delivering training to facility managers			
Extent of the proposed training to facility managers and operators			
Clarity of the methodology used to assess training to facility managers and operators			
Clarity and completeness of training program			
Training cost breakdown clear and precise			
TOTAL		TOTAL	

POINT VALUE CRITERIA

Each category of the point value criteria should be weighted as follows:

Financial	___	points	x	0. ___	=	___%
Technical	___	points	x	0. ___	=	___%
Implementation	___	points	x	0. ___	=	___%
Operation and Maintenance	___	points	x	0. ___	=	___%
Project Management	___	points	x	0. ___	=	___%
Training	___	points	x	0. ___	=	___%

TOTAL **100%**

FEDERAL BUILDINGS INITIATIVE
REQUEST FOR PROPOSAL ORAL INTERVIEW EVALUATION FORM

Disclaimer

This model Request for Proposal (RFP) Oral Interview Evaluation Form is provided for department's use in scoring responses to its RFP. It is the responsibility of the department to adapt this document to meet its own particular requirements and to select the Energy Management Firm who will provide best value for money.

USE THE FOLLOWING RANKINGS FOR SCORING ORAL INTERVIEW

1 - UNABLE TO RANK, 2 - NOT ACCEPTABLE, 3 - ACCEPTABLE, 4 - SUPERIOR

EXPERIENCE	1	2	3	4	COMMENTS
Qualifications and experience of technical design personnel					
Satisfactory description of past performance					
Qualifications of major designated mechanical subcontractors					

TOTAL SCORED: _____
(ADD RANKINGS)

MANAGEMENT	1	2	3	4	COMMENTS
Overall approach to project management					
Satisfactory proposal of maintenance services					
Satisfactory proposal of equipment monitoring services					
Satisfactory responses to questions on sample legal agreement					
Overall quality of communication skills					

TOTAL SCORED: _____
(ADD RANKINGS)

TECIINICAL	1	2	3	4	COMMENTS
Demonstrates an understanding of existing facility conditions and systems					
Quality and comprehensiveness of proposed technical measures					
Quality of estimation procedure for the range of energy and demand savings					

TOTAL SCORED: _____
(ADD RANKINGS)

FINANCIAL	1	2	3	4	COMMENTS
Satisfactory method for project performance monitoring					
Terms of the proposed guarantee of project performance					
Quality of estimation methods for projecting the range of gross annual utility savings					
Methods for determining vendor's annual fee					

TOTAL SCORED: _____
(ADD RANKINGS)

PRELIMINARY AGREEMENT

THIS PRELIMINARY AGREEMENT made in duplicate as of this _____ day of _____19__

BETWEEN

HER MAJESTY THE QUEEN IN RIGHT OF CANADA as represented by the Minister

_____

(hereinafter called "the Department")

AND

_____

(hereinafter called the "Energy Management Firm")

WHEREAS the Department is considering entering into an Energy Management Service Contract with the Energy Management Firm to effect the implementation of energy efficiency Improvements in the facilities listed in Annex 1 hereto (hereinafter called the "Facilities");

NOW THEREFORE the Department and the Energy Management Firm agree as follows:

1. Sections 1.1, 1.2, 1.7, 1.9, 1.10, 1.12, 1.16, 1.18, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 6.1, 6.2 , 6.3, 38.1, 38.2, 38.3, 38.4 38.5, 38.6, 39.1, 39.2, 39.3, 40.1, 41.1, 42.1, 43,1, 44.1, 45.1, 46.1, 47.1, 49.1, 52.1, 52.2, 58.1, 59.1, 60.1, 61.1, 61.2, 62.1, 63.1, and 64.1 and Appendices "A" and "D" of the Model Energy Management Service Contract attached hereto as Annex 2 are incorporated by reference into this

Preliminary Agreement, with such modifications as may be necessary, and therefore form an integral part of this Preliminary Agreement. The remaining portions of Annex 2 are attached hereto for reference purposes only and do not form a part of this Preliminary Agreement.

2. In order to prevent the time spent in the negotiation of an Energy Management Service Contract from unduly delaying the implementation of energy efficiency Improvements in the Facilities, the Department authorizes the Energy Management Firm to undertake the Energy Feasibility Study and Concept Report in order to confirm the scope of the project, its costs, and the resulting Energy Savings.

3. While in the process of preparing the Energy Feasibility Study and Concept Report, the Energy Management Firm will adhere to the requirements of the Canada Occupational Safety and Health Regulations, Treasury Board Safety and Health Standards and all applicable building codes.

4. If, the parties are unable to enter into an Energy Management Service Contract, the Department agrees to reimburse the Energy Management Firm for costs incurred while preparing the Energy Feasibility and Concept Report, up to a maximum of _____. The Department will become owner of the Energy Feasibility and Concept Report.

5. This Preliminary Contract will be in force until the signing, between the parties, of an Energy Management Service Contract.

6. The sole purpose of this Preliminary Agreement is to allow the Energy Management Firm to begin the clarification of the scope of the project, its costs and the resulting Energy Savings through an Energy Feasibility Study and Concept Report before the negotiation of an Energy Management Service Contract is completed.

Executed on behalf of the Department by

Executed on behalf of the Energy Management Firm by

_____

Signature of Authorized officer
Departmental Officer

_____

Signature of authorized signing

_____

Title

_____

Title

FEDERAL BUILDINGS INITIATIVE

MODEL ENERGY MANAGEMENT SERVICE CONTRACT

FIRST-OUT STYLE CONTRACT

DRAFT

Disclaimer

This Model Energy Management Service Contract is provided for the use of individual Departments in providing energy efficiency improvements using a First-Out style saving financing agreement. **It is the responsibility of each Department** to adapt this document to meet the particular requirements of the Department and to negotiate the content of this document with the Energy Management Firm chosen to implement energy efficiency improvements within the Department's facility(ies).

14 March1995

(aussi disponible en français)

ENERGY MANAGEMENT SERVICE CONTRACT

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ENERGY MANAGEMENT SERVICE CONTRACT

THIS CONTRACT

made in duplicate as of the _____day of _____ 19__

BETWEEN

HER MAJESTY THE QUEEN IN RIGHT OF CANADA as represented by the Minister of

_____

(hereinafter called "the Department")

AND

_____

(hereinafter called the "Energy Management Firm")

WHEREAS The Department wishes to engage the Energy Management Firm to undertake the design, implementation and monitoring of energy efficiency improvements to the facilities known as:

_____

_____

_____

_____

_____

_____

[hereinafter called "Facilities"]

Now therefore the **Department** and the **Energy Management Firm** agree as follows:

1.0 **Definitions**

1.1 **Baseline Energy Consumption and Demand** means the total annual energy consumption and monthly energy demand of Facilities before the Improvements have been made.

1.2 **Base Year** means the year for which the Baseline Energy Consumption and Demand is calculated.

1.3 **Commencement Date** means the date the commissioning of all Improvements is completed. marking the commencement of the Payback Period.

1.4 **Completion of Improvement** means the completion of ninety-three percent (93%) or more of an Improvement.

1.5 **Contract** means this document, the Schedules attached hereto, the Energy Feasibility Study and Concept Report, the Request for Proposal, the Proposal Brief, the Final Design Documents and the Working Documents.

1.6 **Departmental Representative** means a person specially authorized by the Department to perform on its behalf any function under this Contract.

1.7 **Eligible Costs** means all amounts listed in Appendix "D".

1.8 **Energy** means electricity, water or any hydrocarbon.

1.9 **Energy Costs** means the total amount of money paid by the Department to one or more utilities or other energy suppliers for the energy consumption and demand of Facilities over a period of _____( ) months but excludes late payment charges or any other charge that is unrelated to the actual energy consumption or demand.

1.10 **Energy Feasibility Study and Concept Report** means the Energy Management Firm's written report, the content of which is based on

(a) the information contained in the Request for Proposal;

(b) extensive field measurements; and

(c) interviews with the Department's operating personnel;

and which shall include

(d) a thorough and professional examination and review of the Facilities' existing energy systems;

(e) a description of the Facilities' existing space conditions;

(f) a full description of the Improvements;

(g) detailed analyses and data in support of the Improvements; and

(h) a justification of the Baseline Energy Consumption and Demand.

1.11 **Energy Management Firm Representative** means the employee of the Energy Management Firm who is designated by the Energy Management Firm to manage and oversee the design and installation of the Improvements for the purpose of this Contract.

1.12 **Energy Savings** means the Energy Costs and Operating Costs saved (calculated following the method set out in Appendix "A") as a result of reduced energy consumption or demand of the Facilities over a period of time agreed upon by the parties.

1.13 **Final Design Documents** means the final design documentation (including operating instructions) related to the installation and operation of the Improvements and developed from the Energy Feasibility Study and Concept Report.

1.14 **Force Majeure** means an event

(a) that was unforeseen by the parties;

(b) that was not controllable by the parties;

(c) that could not have reasonably been foreseen by the Parties; and

(d) against which the Parties could not have taken precaution;

and includes

(e) acts of God;

(f) strikes;

(g) lock-outs;

(h) fires;

(i) riots;

(j) arson;

(k) intervention by civil or military authorities;

(l) governmental regulations or orders; and

(m) acts of war (declared or non-declared).

1.15 **Indemnified Claim** means a claim or demand arising out of or attributable to

(a) bodily injury;

(b) sickness;

(c) disease;

(d) death;

(e) injury; or

(f) destruction of tangible property caused by negligent acts or omissions of one of the parties to this Contract

made in writing within a period of ____ ( ) years following the event or events giving rise to such claim or within such shorter period as may be prescribed by any limitation statute of the Province of _____.

1.16 **Improvements** means energy efficiency measures detailed in the Energy Feasibility Study and Concept Report and consist of the equipment, materials, machinery and systems to be installed in Facilities and the services to be provided by the Energy Management Firm.

1.17 **Notice of Irregularity** means a notice from the Energy Management Firm to the Department advising of a situation where the equipment or systems in the Facilities are not being operated or maintained in accordance with the requirements of this Contract and indicating the action that should be taken by the Department to improve the performance of the Improvements.

1.18 **Operating Costs** means all costs

(a) associated with the operation and maintenance of the facilities; and

(b) that may be affected by the Improvements.

1.19 **Payback Period** means the period of years stipulated in section 36.2.

1.20 **Project Balance** means the Total Project Costs incurred less the total payments made by the Department to the Energy Management Firm.

1.21 **Proposal Brief** means the written proposal based on the preliminary findings of the Energy Management Firm submitted to the Department in response to the Request for Proposal.

1.22 **Request For Proposal** means the document that was issued by the Department to initiate the process wherein it selected the Energy Management Firm.

1.23 **Subcontractor** means any party to whom the Energy Management Firm has subcontracted the installation or provision of the whole or any part of the Improvements.

1.24 **Total Project Costs** means all Eligible Costs, overhead and profit as estimated in Appendix "B".

1.25 **Warranty Period** means a period of _____( ) months following the Commencement Date.

1.26 **Working Documents** means the detailed plans and specifications for the installation of the Improvements developed in accordance with the Energy Feasibility Study and Concept Report and the approved Final Design Documents.

PART I - PRE-CONSTRUCTION PERIOD

2.0 Energy Feasibility Study and Concept Report

2.1 Before detailed design and construction begin, the Energy Management Firm will prepare the Energy Feasibility Study and Concept Report to confirm the scope of the project, its costs, and the resulting Energy Savings.

2.2 Subject to section 2.13. the Improvements described in the Energy Feasibility Study and Concept Report may differ from those described in the Proposal Brief.

2.3 The Energy Feasibility Study and Concept Report shall set out the overall concept and purpose of the Improvements.

2.4 The Energy Feasibility Study and Concept Report shall develop the retrofit concept for each Improvement to a sufficient level of detail to enable the Department to fully understand the retrofit and operational implications of the Improvements and to enable the Energy Management Firm to establish the cost of the Improvements and the Energy Savings to be derived from the Improvements.

2.5 For each proposed Improvement, the Energy Feasibility Study and Concept Report shall set out

(a) a description of the existing equipment or system, its present condition and operation methods;

(b) the Baseline Energy Consumption and Demand and the space conditions of Facilities;

(c) a description of the Improvements;

(d) the estimated cost of the Improvements;

(e) the purpose of the proposed modifications to the equipment or system and/or to its operation methods;

(f) an outline of any expected change in the capacity of the existing equipment;

(g) a description of the training programs for facility(ies) managers and operators;

(h) an estimate of any anticipated contributions toward the Eligible Costs from grants, subsidies, rebates or payments from utilities;

(i) an estimate of any contributions that the Department has agreed to make toward the Eligible Costs;

(j) an estimate of the annual Energy Savings that will result from the Improvements;

(k) the proposed implementation process and schedule including the location, timing and duration of on-site work;

(l) any new operating or maintenance requirements resulting from the implementation of the Improvements;

(m) a description and estimate of the cost of any work that the Energy Management Firm recommends the Department complete either before or during the completion of the Improvements in order to permit the implementation of the Improvements.

(n) a description of the Facilities' existing space conditions and an outline of any impact that the Improvements may have on the space conditions;

(o) all specific steps necessary to ensure that space conditions are properly maintained and an explanation of how space conditions may be improved;

(p) an outline of the effort expected of building managers and operators in the process of implementing the Improvements;

(q) the expected lifetime of all new equipment and the impact on the lifetime of existing equipment;

(r) any special warranty period for new equipment and any special service arrangements proposed; and

(s) the proposed method of monitoring energy use.

2.6 Subject to section 2.8, the Department shall use its best efforts to approve the Energy Feasibility Study and Concept Report as soon as possible after its delivery.

2.7 The Departmental Representative will inform the Energy Management Firm in writing of any concerns or questions he may have with respect to the Energy Feasibility Study and Concept Report within __( ) days from the date of its delivery and if no such questions or concerns are made within this time period, the Energy Feasibility Study and Concept Report shall be deemed to have been approved by the Department.

2.8 If the Departmental Representative raises questions or concerns with respect to the Energy Feasibility Study and Concept Report, the Department need not approve the aforementioned document until such questions or concerns are resolved.

2.9 The Department may request Improvements in addition to those proposed in the Energy Feasibility Study and Concept Report.

2.10 The Department may request enhancements to or deletion of Improvements proposed in the Energy Feasibility Study and Concept Report.

2.11 In the cases described in sections 2.9 and 2.10, the Energy Management Firm shall set out the impact of the proposed request on the Payback Period and the Parties shall negotiate either an increase or a decrease in the Baseline Energy Consumption and Demand or an increase or a decrease in the length of the Payback Period.

2.12 Any increase in the Payback Period negotiated under section 2.11 shall not exceed ___( ) months and the resultant term of the Contract cannot exceed 8 years.

2.13 If the proposed Energy Savings set out in the Energy Feasibility Study and Concept Report are less than 90% of the Energy Savings estimated in the Proposal Brief or if the Improvements proposed in the Energy Feasibility Study and Concept Report are significantly different in nature from the Improvements set out in the Proposal Brief, and the Department does not accept the Energy Management Firm's explanation for such discrepancy, the Department may at its sole discretion terminate this Contract.

2.14 If the Energy Management Firm determines during the course of preparing the Energy Feasibility Study and Concept Report, that the sum of the Energy Savings and the utility incentives (where applicable) will not be sufficient to repay the Total Project Costs within the Payback Period, the Energy Management Firm, at its sole discretion, may terminate this Contract.

2.15 If this Contract is terminated under section 2.13 or 2.14, the Department will not reimburse the Energy Management Firm for the Energy Feasibility Study and Concept Report or any other work undertaken by the Energy Management Firm in relation to the Improvements.

3.0 **Cooperation**

3.1 The Department shall

(a) provide the Energy Management Firm in a timely manner with

(i) access to Facilities,

(ii) all information, data and documents necessary for installation of the Improvements, and

(iii) all reasonable assistance that the Energy Management Firm may require in connection with its obligations under this Contract; and

(b) keep the Energy Management Firm informed in a timely manner of all matters related directly or indirectly to the Improvements.

4.0 **Departmental Representative**

4.1 The Department shall appoint a Departmental Representative.

4.2 The Departmental Representative shall accept delivery of equipment and materials.

4.3 The Departmental Representative will be responsible for receiving from the Energy Management Firm all instructions pertaining to the optimal operation of existing and new equipment and systems.

4.4 The Departmental Representative will be responsible for ensuring that the Energy Management Firm's instructions are followed completely by the Department.

5.0 **Environmental Conditions**

5.1 The Department acknowledges that the modifications proposed by the Energy Management Firm will be undertaken with the objective of saving energy and will not necessarily improve the Facilities' temperature, relative humidity or ventilation.

5.2 The Energy Management Firm warrants that the Improvements will not under any circumstance cause a deterioration of any of the existing conditions of temperature, relative humidity, ventilation or air quality in Facilities.

6.0 **Baseline Energy Consumption and Demand and Space Conditions**

6.1 The Energy Management Firm shall deliver a written statement to the Department setting out the proposed Baseline Energy Consumption and Demand and space conditions and containing reasons in support thereof. The Baseline Energy Consumption and Demand shall be expressed in numbers of energy units/month for every energy form for the entire contract period.

6.2 If the Department is not satisfied with the written statement described in section 6.1, it shall deliver written notice to the Energy Management Firm within __ ( ) working days from the date of the delivery of the statement, which notice shall set out, in sufficient detail, the Department's objections to the statement.

6.3 The Energy Management Firm shall include in the Energy Feasibility Study and Concept Report, the Baseline Energy Consumption and Demand and the space conditions of Facilities.

7.0 Detailed Design

7.1 Following the Department's approval of the Energy Feasibility Study and Concept Report for each Improvement, the Energy Management Firm will, in consultation with the Department, proceed with the Final Design Documents for the Improvements.

7.2 The Department may request modifications to the Final Design Documents which will be dealt with in the manner set out in section 2.11.

8.0 Licenses and Permits

8.1 The Energy Management Firm shall obtain all licenses and permits that are necessary for the installation of the Improvements and shall verify that the Final Design Documents are in compliance with all applicable laws, ordinances, rules, regulations and codes.

PART II - CONSTRUCTION PERIOD

9.0 Obligations of the Energy Management Firm

9.1 During the construction period, the Energy Management Firm will:

(a) purchase equipment;

(b) hire subcontractors, if any;

(c) verify shop drawings, manufacturer drawings and correspondence relating to the completion of the Improvements;

(d) approve substitutions of methods and materials after consultation with the Departmental Representative;

(e) develop a project schedule and a refinement, if necessary, of the Total Project Costs set out in the Energy Feasibility Study and Concept Report;

(f) prior to the commencement of any work, ensure that all necessary policies of insurance, including builder's risk insurance, liability insurance and construction liability insurance, are obtained to protect the Improvements, Facilities and the Department from liability, damage or loss arising during construction and caused or resulting from an Indemnified Claim;

(g) submit____( )copy(ies) of each insurance policy to the Departmental Representative for approval;

(h) supervise work at the construction site to ensure that the progress of the Improvements and the quality of materials and workmanship are generally in conformity with the requirements of the Final Design Documents and any subcontracts.

(i) organize the work at Facilities so as to ensure minimum interference with the Department's business;

(j) prepare project manuals and as-built drawings of mechanical and electrical systems related to the Improvements;

(k) provide the Department with_____( ) copies of the manuals and drawings described in paragraph (j);

(l) perform a final inspection of the installation of the Improvements;

(m) subject to section 30.0, transfer to the Department the title to material and equipment purchased by the Energy Management Firm;

(n) assign a person to manage and oversee the Improvements;

(o) supervise work by any sub-contractor(s) to ensure that the work is completed in accordance with all municipal, provincial and federal safety laws and all safety regulations published by the Department or by the Energy Management Firm;

(p) be responsible for the work of the sub-contractor(s);

(q) be responsible for the start-up and commissioning of the Improvements;

(r) be responsible for the training of Facilities managers and operators;

(s) implement an information workshop to departmental employees to inform them of the benefits of the Improvements and their effects on the workplace, or provide support to the Department with respect to such a workshop;

(t) provide the Department of Energy, Mines and Resources with an annual update on the status of this Contract as outlined in Appendix "F";

(u) rectify and make good any damage to Facilities caused by the Energy Management Firm in the course of implementing the Improvements; and

(v) in the event that it wishes to perform work on a Saturday, Sunday or holiday, submit a written request to the Departmental Representative ___( ) working days in advance.

10.0 Obligations of the Department

10.1 During the construction period, the Department will:

(a) subject to its approval of the Energy Feasibility Study and Concept Report submitted by the Energy Management Firm, permit the implementation of the Improvements;

(b) provide the Energy Management Firm with satisfactory evidence of its title to Facilities or an authorization, using the form provided by the Energy Management Firm for this purpose, from the owner of Facilities for the performance of the work; and

(c) accept the inconveniences caused by the carrying out of the Improvements and, without limiting the generality of the foregoing,

(i) provide the Energy Management Firm and any sub-contractor(s) responsible for the work with a storage room of reasonable dimensions, and/or allow the temporary installation of a trailer on the site,

(ii) permit the work to be performed during daylight working hours except in circumstances requested by the Departmental Representative where the work shall be performed outside of these hours,

(iii) accept the existence at times of a temporary reduction in comfort inside Facilities during the construction period,

(iv) provide at its expense, the electrical energy required for performance of the work, and

(v) authorize delivery of equipment to Facilities;

(d) replace or repair existing equipment, if necessary, to make the Improvements operational, when the need for such repair or replacement could not have been identified during the pre-construction phase and is not the result of the improper actions of the Energy Management Firm or its sub-contractor(s); and

(e) if the Departmental Representative has accepted an Improvement as complete, pay to the Energy Management Firm all Energy Savings resulting from that improvement.

10.2 The Department may request the Energy Management Firm to effect the repair or replacement referred to in paragraph 10.1(d) and include the cost of the repairs or new equipment in the Total Project Costs, subject to the right of the Energy Management Firm to adjust the Baseline Energy Consumption and Demand and the Payback Period.

11.0 Exclusion of Suppliers

11.1 The Department has the right to exclude the use of specified suppliers with whom it has had a poor working experience.

12.0 Delays in Construction

12.1 If the Energy Management Firm is delayed in construction of the Improvements for any reason beyond its reasonable control, the Energy Management Firm shall be entitled to such additional time to complete the construction as may be necessary.

12.2 The Energy Management Firm shall be entitled to add to the project charges the cost of any delays described in section 12.1, and to extend the Payback Period accordingly within the limit specified in Treasury Board Guideline APB 3800-001.

13.0 Completion of Improvements

13.1 Upon Completion of Improvement(s), the Energy Management Firm shall deliver a written notification thereof to the Departmental Representative.

13.2 Within ____ ( ) working days from the date of delivery of the notification described in section 13.1, the Departmental Representative shall deliver written notice of any objection thereto.

13.3 Upon completion of the Improvements, the Total Project Costs shall be adjusted to account for any payments made pursuant to paragraph 10.1(e).

14.0 Commencement Date

14.1 Upon commissioning of all of the Improvements and the establishment of the resultant Energy Savings, the Energy Management Firm shall deliver a written notification of the Commencement Date to the Departmental Representative.

14.2 Within _____ ( ) working days from the date of the delivery of the notification described in section 14.1, the Departmental Representative shall deliver written notice of any objection thereto.

14.3 The Commencement Date shall be no later than _____( ) months from the Department's acceptance of the Energy Feasibility Study and Concept Report.

14.4 The period of months referred to in section 14.3 may be extended with the Departmental Representative's approval or if the Energy Management Firm is delayed in construction of the Improvements for any reason beyond its reasonable control.

15.0 Purchase Option

15.1 Subject to section 15.2, at any time after the first anniversary of the Commencement Date and prior to the expiry of this Contract, the Department may terminate this Contract by acquiring all the Improvements for the termination value set forth in Appendix "E".

15.2 The Department may not exercise its option under section 15.1 unless it has, not less than _____( ) working days prior to the date that it wishes to acquire the Improvements, delivered a notice of its intentions to the Energy Management Firm.

15.3 If the Department exercises its option under section 15.1 prior to the delivery of incentive payments by a utility, the Energy Management Firm will assist the Department in obtaining the incentive payments from the utility.

15.4 If the Department exercises its option under section 15.1, it shall pay any applicable sales taxes.

PART III - POST-CONSTRUCTION

16.0 Obligations of the Energy Management Firm

16.1 During the Post-Construction Period, The Energy Management Firm will

(a) provide managers and operators of Facilities with the instruction and training that is necessary to ensure the proper operation and maintenance of the Improvements;

(b) make regular visits to Facilities to ensure that its instructions have been followed;

(c) report to the Departmental Representative any irregularities discovered during the visits described in paragraph (b);

(d) provide the Departmental Representative with a monthly report establishing, for the previous month, for each type of energy used, the energy consumption and the Energy Savings;

(e) in the event that the performance of the Improvements falls short of projections, investigate the cause;

(f) if it determines, as the result of an investigation performed pursuant to paragraph (e), that the shortfall in savings is the result of the equipment or system(s) not being operated or maintained in accordance with the requirements of this Contract, deliver a Notice of Irregularity to the Department; and

(g) if it has been informed, pursuant to subparagraph 17.1(g)(ii) that the Department cannot identify equipment that may have caused an irregularity, make the necessary investigation, identify the cause of the irregularity and notify the Department thereof.

17.0 Obligations of the Department

17.1 During the post-construction period, the Department will

(a) operate the Improvements in the manner prescribed by the Energy Management Firm;

(b) perform regular maintenance upon all equipment and systems within the Facilities;

(c) repair or replace without delay any equipment that may break down;

(d) notify the Energy Management Firm without delay of any equipment malfunction or breakdown;

(e) promptly provide the Energy Management Firm with the information it requires relevant to the operation of the Improvements, including

(i) results of preventive maintenance,

(ii) irregularities in energy consumption, and

(iii) results of inspections or tests;

(f) provide the Energy Management Firm, within _____ ( ) working days of receipt of each energy bill, with

(i) readings of all meters and registers that

(A) measure the type of energy that is the subject of the energy bill, and

(B) are located in the Facilities, and

(ii) a copy of the energy bill;

(g) when it has been issued with a Notice of Irregularity pursuant to paragraph 16.1(f),

(i) if it discovers any defective equipment, have such equipment replaced or repaired as soon as possible, and

(ii) if it cannot identify equipment that may have caused the irregularity, so inform the Energy Management Firm within ____ ( ) working days of the receipt of the Notice of Irregularity;

(h) correct any irregularity the cause of which has been brought to its attention by the Energy Management Firm pursuant to paragraph 16.1(g);

(i) promptly notify the Energy Management Firm of any events or circumstances that could materially affect the Total Project Costs or the Energy Savings, or of any other change that could affect the Energy Management Firm's services and obligations under this Contract;

(j) work with the Energy Management Firm to ensure the cooperation of

(i) the operations and maintenance staff of the Facilities, and

(ii) all other departmental employees working in the Facilities

in the implementation of the Improvements.

18.0 **Energy Management Firm Labour**

18.1 Time spent by the Energy Management Firm on the Energy Feasibility Study and Concept Report, engineering, design, energy analysis, project management, construction management, inspection, installation, commissioning, post-construction monitoring, training (if required by the Department) and administration will be included in the Total Project Costs based on the number of hours worked by the Energy Management Firm's personnel multiplied by the then current hourly rates of such Energy Management Firm personnel.

18.2 The hourly rates of the Energy Management Firm's personnel that are in effect at the date of this Contract are set out in Appendix "C".

19.0 **Energy Management Firm Mark-Up for Overhead and Profit**

19.1 The Energy Management Firm will mark-up the costs of labour, supplies and materials by __% as set out in Appendix ___ to the Proposal Brief and Appendix "B" to this Contract.

19.2 The dollar amount of overhead and profit arrived at by applying the percentage mark-up may increase or decrease due to commensurate increases or decreases in such costs.

19.3 The Energy Management Firm may also charge the Department for the performance guarantee set out in Appendix "B".

20.0 **Incentives, Grants, Rebates and Discounts**

20.1 The Energy Management Firm will receive any incentives, grants, refunds, rebates and trade discounts for which the Improvements are eligible and will reduce the Total Project Costs accordingly.

21.0 **Sales of Surplus Supplies, Materials and Equipment**

21.1 All realizations from the sale of surplus supplies, materials and equipment paid for as part of the Total Project Costs shall be used to reduce the Total Project Costs.

22.0 **Financing Charges**

22.1 The Energy Management Firm will finance the Total Project Costs either directly, or by arranging with a third party financial institution to provide the financing.

22.2 If the Energy Management Firm finances the Total Project Costs directly, the Energy Management Firm shall indicate as a part of the Total Project Costs the financing charges calculated on the

unamortized balance of the Total Project Costs at a rate equal to the cost of funds for the Energy Management Firm.

22.3 The cost of funds of the Energy Management Firm shall be as set out in Appendix___ to the Proposal Brief.

22.4 If the Energy Management Firm arranges for a third party financial institution to finance the Total Project Costs, the interest charge component of the Total Project Costs shall be the interest charges proposed by the financial institution, as set out in the Proposal Brief.

23.0 **Payments by the Department**

23.1 The Department will continue to pay the Energy Costs directly to the utility(ies) and/or other energy suppliers.

23.2 Although the value of the Energy Costs is included in the Total Project Costs, the Energy Management Firm is not liable for such costs.

23.3 The Department shall pay each month to the Energy Management Firm a sum equal to one twelfth of the estimated annual Energy Savings described in section 2.5 (j) from the Commencement Date until the Total Project Costs have been fully paid or until the Payback Period ends, whichever occurs first.

23.4 At least, once every_____, the Energy Management Firm shall deliver to the Departmental Representative a written comparison between

(a) the estimated Energy Savings paid pursuant to section 23.3; and

(b) the actual monthly Energy Savings.

23.5 Within_____( ) working days from the date of delivery of the written comparison described in section 23.4, the Departmental Representative shall deliver written notice to the Energy Management Firm of any objection thereto.

23.6 In the event tht the total of the amounts described in section 23.4 (a) exceeds the total of the amounts described in section 23.4 (b), the amount of any such excess shall be paid by the Energy Management Firm to the Department within _____( ) working days of the delivery to the Department of the written estimate described in section 23.4 and any unpaid balance after the expiration of the said period of _____( ) working days shall bear interest at the prime rate of the Bank of Canada plus 1 1/4 per centum.

23.7 In the event that the total of the amounts described in section 23.4 (b) exceeds the total of the amounts described in section 23.4 (a), the amount of any such excess shall be paid by the Department to the Energy Management Firm within _____( ) working days of the delivery to the Department of the written estimate described in section 23.4 and any unpaid balance after the expiration of the said period of _____ ( ) working days shall bear interest at the prime rate of the Bank of Canada plus 1 1/4 per centum.

23.8 In the event that the calculation of Energy Savings is rendered temporarily impossible as a result of

(a) strikes by the employees of the Department;

(b) vandalism;

(c) closure of the Facilities; or

(d) interruption of utility incentives

and none of the aforementioned events constitutes Force Majeure, invoices for the period during which the interruption takes place shall be based upon an estimate by the Energy Management Firm.

23.9 For any amount by which the Energy Savings estimated pursuant to section 23.8 for a particular period exceed the actual Energy Savings for that period, the Energy Management Firm shall, within ____ ( ) working days of the day upon which calculation of the actual savings becomes possible, reimburse the Department and any unpaid balance after the expiration of the said period of____ ( ) working days shall bear interest at the prime rate of the Bank of Canada plus 1 1/4 per centum.

23.10 Any outstanding balance of the Total Project Costs at the end of the Payback Period must be absorbed by the Energy Management Firm.

24.0 **Direction of Payments**

24.1 The Energy Management Firm hereby authorizes and directs the Departments to remit and deliver all payments due to the Energy Management Firm pursuant to section 23.3 to:

_____

_____

_____

_____

(include name, address and account number)

24.2 For purposes of this Contract, any payment made in accordance with section 24.1 constitutes a payment to the Energy Management Firm pursuant to section 23.3.

25.0 **Dispute**

25.1 The Department may dispute the amount of any invoice or reimbursement within __ ( ) working days of receipt of such invoice or reimbursement.

25.2 The Departmental Representative and the Energy Management Firm will cooperate fully with each other to resolve any dispute as quickly as possible.

25.3 The Department and the Energy Management Firm agree to continue to pay invoices and reimbursements during the period of any dispute.

25.4 Any amount payable as a result of the resolution of such dispute will be added to or deducted from the next following invoice(s) or reimbursement(s) and shall bear interest at the prime rate of the Bank of Canada plus 1 1/4 per centum from the day that the amount was first paid or withheld in error.

26.0 **Project Balance**

26.1 Each month, the Energy Management Firm shall issue to the Department, a statement indicating the Project Balance and the financing charges incurred to date.

27.0 **Loss of Savings**

27.1 If it is necessary to effect repairs or replacements as a result of a major malfunction or breakdown or poor maintenance of any equipment or system, the Energy Management Firm shall be entitled to take any necessary corrective action, to add the resultant costs to the Total Project Costs and, subject to the limitations set out in the Treasury Board Guideline APB 3800-001, to either increase the Baseline Energy Consumption and Demand or extend the Payback Period.

PART IV - GENERAL PROVISIONS

28.0 **Adjustment of Values for the Baseline Year Energy Consumption and Demand**

28.1 In the calculation of Energy Savings pursuant to Appendix "A", the Baseline Energy Consumption and Demand shall, subject to the provisions of this Contract, remain constant for the duration of this Contract, except in circumstances where there is

(a) a change in the use of all or part of the Facilities;

(b) a change in the occupancy rate of the Facilities;

(c) a modification to or enlargement of the Facilities; or

(d) implementation of new standards and/or any kind of regulation governing lighting, temperature, relative humidity or ventilation conditions in the Facilities;

that results in an increase or decrease in the amount of energy used within Facilities or where there is

(e) an increase in the interest rate used in calculating any financing charges incurred by the Energy Management Firm in its performance of this Contract.

28.2 After consultation with the Departmental Representative, the Energy Management Firm may, if it deems it necessary, increase the Baseline Energy Consumption and Demand as a result of any of the changes referred to in section 28.1.

28.3 If the Baseline Energy Consumption and Demand is increased under section 28.2, the Energy Management Firm shall forthwith provide the Departmental Representative with written notice of the new values.

28.4 Any increase in the Baseline Energy Consumption and Demand under section 28.2 shall be deemed to have been approved by the Departmental Representative unless the Departmental Representative advises the Energy Management Firm in writing within ___ ( ) working days following receipt of the notice described in section 28.3 of its reasons for contesting such values.

28.5 If the Departmental Representative advises the Energy Management Firm in accordance with section 28.4 that it does not approve the increased Baseline Energy Consumption and Demand, all payments to be made by the Department will continue to be calculated on the basis of the values that existed immediately prior to the increase.

29.0 **Payback Period Extension**

29.1 If, through circumstances beyond its reasonable control, the Energy Management Firm experiences additional costs (including higher financing charges), loss of utility incentives or loss of other cost savings, it shall be entitled to extend the Payback Period by a period of time calculated to offset the effect of the additional cost or the loss of utility incentives and, in accordance with Treasury Board Guideline APB 3800-001, the resulting term of the Contract may not be more than eight (8) years.

30.0 **Equipment Ownership**

30.1 The Energy Management Firm or a financial institution that has provided financing for the Improvements may not retain title to any equipment purchased and installed as part of the Improvements as security for the financing.

31.0 **Warranties**

31.1 The Energy Management Firm hereby warrants each Improvement for deficiencies in design, materials, workmanship and commissioning during the Warranty Period.

31.2 Warranty expenses incurred by the Energy Management Firm during the Warranty Period will be included in the Total Project Costs, but the Energy Management Firm will not be entitled to extend the Payback Period to offset the effect of such costs.

31.3 To the extent permitted by each manufacturer, the Department is entitled to the benefit of all manufacturers' warranties on equipment installed as part of the Improvements and the Energy Management Firm will work with the Department to obtain extended manufacturers' warranties on major pieces of equipment.

32.0 **Provision of Services Unrelated to the Improvements**

32.1 To enhance the environmental conditions of the Facilities, the Department may request the Energy Management Firm to perform additional work such as:

(a) investigate and correct a deficiency in the facility(ies);

(b) provide additional training;

(c) replace equipment; or

(d) perform any other work not directly associated with the Improvements.

32.2 If the Energy Management Firm agrees to perform the work described in section 32.1, the Department may pay the Energy Management Firm directly for the work or may indicate that the work is to be incorporated into the Total Project Costs, in which case the Energy Management Firm may, subject to the provisions of section 2.12, require an adjustment to the Baseline Energy Consumption and Demand or an extension of the Payback Period.

33.0 **Delay, Non-Compliance or Default by the Energy Management Firm**

33.1 If the Energy Management Firm fails to comply with any reasonable direction of the Departmental Representative or is in default in any other manner under this Contract, the Departmental Representative may take all reasonable action necessary to remedy the Energy Management Firm's default and payments to the Energy Management Firm shall be reduced by an amount

equal to all costs, expenses and damages incurred or sustained by the Department, as a result of the Energy Management Firm's default.

34.0 Taking the Work Out of the Energy Management Firm's Hands

34.1 In any of the following cases, the Department may take all or any portion of the Improvements out of the Energy Management Firm's hands and may employ such means as it may see fit to complete the Improvements:

(a) (i) the Energy Management Firm

(A) has substantially delayed in commencing or in executing the Improvements or any portion thereof, or

(B) is in default in any other manner under this Contract,

(ii) the Departmental Representative has given written notice to the Energy Management Firm and has by such notice required the Energy Management Firm to put an end to the default or delay described in subparagraph (i),

(iii) the default or delay described in subparagraph (i) continues for more than _____( ) working days after the Energy Management Firm's receipt of the notice described in subparagraph (ii), and

(iv) the default or delay described in subparagraph (i) is not a result of an event of Force Majeure;

(b) (i) the Energy Management Firm has not completed the Improvements, or any portion thereof within the established time limit for such completion, and

(ii) the failure to meet the established time limit is not a result of Force Majeure;

(c) the Energy Management Firm has become insolvent;

(d) the Energy Management Firm has committed an act of bankruptcy;

(e) the Energy Management Firm has abandoned the Improvements; or

(f) the Energy Management Firm has made an assignment of this Contract without the consent of the Department.

34.2 Where the Improvements or any portion thereof are taken out of the Energy Management Firm's hands under section 34.1,

(a) the amount of all loss and damage suffered by the Department by reason of the non-completion of such Improvements, including the costs of having the work completed by a third party, shall be deducted from the Energy Savings that would otherwise be paid to the Energy Management Firm; and

(b) the Energy Management Firm shall not be relieved of any legal or contractual obligations other than the completion of that portion of the Improvements that has been taken out of the Energy Management Firm's hands.

35.0 **Default by the Department**

35.1 Notwithstanding section 37.1, if any of the following events transpires, the Energy Management Firm, in addition to any other available remedies, may require that the Department pay to the Energy Management Firm the Project Balance, all outstanding costs and commitments and a reasonable amount in respect of its lost profits:

(a) the Department materially fails to perform or comply with the terms and conditions of this Contract, and such default is not remedied within thirty (30) working days of written notice of such default delivered by the Energy Management Firm to the Department;

(b) the Department sells, leases or otherwise transfers the Facilities without the written consent of the Energy Management Firm, such consent not being unreasonable withheld;

(c) the Department closes the Facilities or ceases to operate the Facilities for any reason;

(d) the Department fails to pay the Energy Management Firm the amounts set out herein within ninety (90) working days after the account is due hereunder;

(e) the Department has knowingly furnished a false or misleading representation or warranty to the Energy Management Firm;

(f) the Energy Management Firm is unable to continue financing the Improvements because of actions of the Department; or

(g) the Department has through its own action or inaction rendered the equipment installed by the Energy Management Firm incapable of functioning.

36.0 **Contract Term**

36.1 This Contract shall commence on the date of execution hereof and continue to the end of the Payback Period.

36.2 The Payback Period shall be ____ years, and shall begin on the Commencement Date.

37.0 **Force Majeure**

37.1 Subject to section 35.1, the failure of either party to meet any of the terms and conditions of this Contract will not give rise to a claim by one party against the other, nor will it be viewed as a breach of this Contract, where this failure flows from Force Majeure.

38.0 **Arbitration**

38.1 Both parties shall make all reasonable efforts to resolve any dispute, controversy or claim arising out or in any way connected with this Contract through discussions and good faith negotiations.

38.2 In the event of an unresolved disagreement between the Department and the Energy Management firm relating to:

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(a) the formation, validity, interpretation application or enforceability of the Contract;

(b) the performance, breach, termination or other discharge of the Contract:

(c) the rights, duties, obligations or remedies of the parties created by or pursuant to the Contract: or

(d) any other issue that may arise between the parties relative to the performance of the Contract

these issues will be submitted to arbitration in accordance with the following provisions:

(a) either party may refer a dispute to arbitration by serving upon the other party a written notice specifying the issue;

(b) the arbitration proceedings will be presided by three (3) arbitrators;

(b) within_____( ) working days following serving of a written notice, each party shall appoint an impartial and independent arbitrator. The two (2) arbitrators shall appoint a third impartial and independent arbitrator within ___ ( ) working days;

(c) the arbitrators shall be at arm's length from both parties and shall not be composed of members of any company, firm or agency doing business with either party;

(d) the arbitrators shall meet with the parties within_____( ) working days to discuss proceedings, to establish the procedure to be followed and the time of the meeting;

(e) within_____( ) working days after the arbitrators have been appointed, the claimant shall state, in writing, the facts supporting its claim, the points at issue and the relief or remedy sought and shall submit a copy of the statement to the respondent;

(f) the arbitrators have the power to determine the admissibility, relevance, materiality and weight of any evidence;

(g) within_____( ) working days after receipt of the statement of claim, the respondent shall state, in writing, its defence and shall submit a copy of the statement to the claimant;

(h) the arbitrators may require or permit the presentation of further written statement from the parties and shall fix the periods of time for submitting those statements;

(i) the arbitrators may meet at any place it considers appropriate for hearing witnesses, experts or the parties, or for inspection of documents, goods or other property. The arbitrators will conduct on-site inspections at the request of either party. Any on-site inspections shall be made in the presence of both parties and their representatives. The proceedings of any on-site inspection shall be recorded as part of the hearing itself;

(j) the arbitrators shall render a decision within_____( ) working days following receipt of the statement of claims.

38.3 The scope of the arbitration proceeding shall be limited to the resolution of the dispute submitted to arbitration.

38.4 The parties agree that the determination and award of the arbitrators shall be final and binding of both parties.

38.5 The costs associated with the arbitration process shall be shared equally by the Energy Management Firm and the Department.

38.6 Work under this Contract must, as far as is reasonable, continue during any arbitration and no amount payable to the Energy Management Firm shall be withheld during the period of arbitration.

39.0 **Interpretation**

39.1 Each word in the singular includes the plural and vice versa.

39.2 Each word in the masculine includes the feminine and vice versa.

39.3 Reference to either party includes, where the context permits, such party's employees, agents, sub-contractors and workers.

39.4 The headings within are only included in order to facilitate the reading of this Contract and have no bearing upon its interpretation.

39.5 Herein, hereby, hereof, hereunder and similar expressions refer to this Contract as a whole and not to any particular subdivision or part thereof.

40.0 **Governing Laws**

40.1 This Contract is made pursuant to and shall be governed by and construed in accordance with the laws of the Province of _____.

41.0 **Severable Covenants**

41.1 If any provisions of this Contract or the application thereof to any circumstances are held to be invalid or unenforceable, the remaining provisions of this Contract or the application thereof to other circumstances are not affected thereby and are valid and enforceable to the fullest extent permitted by law.

42.0 **Partnership**

42.1 It is understood and agreed that nothing contained in this Contract nor in any acts of the parties hereto shall be deemed to create a partnership relationship with respect to the matters set out herein or any relationship between the parties hereto.

43.0 **Waiver**

43.1 Waiver of any performance or breach of this Contract shall not constitute a waiver of any subsequent performance or breach of a requirement under this Contract.

44.0 **Entire Contract**

44.1 This Contract constitutes the entire contract between the parties with respect to the subject matter of this Contract and supersedes all documents, letters, contracts, proposals, letters of intent, and other contracts relating to it unless they are incorporated by reference into this Contract.

45.0 **Further Assurances**

45.1 The parties will sign and deliver all further covenants, assurances, transfers, assignments, consents and other documentation as may be reasonably required to complete the Improvements.

46.0 **Amendment**

46.1 No amendment, change or waiver in any terms and conditions of this Contract shall have any force or effect until it is effected by a written amendment to this Contract and duly executed by each of the parties to this Contract.

47.0 **Assignment**

47.1 Other than for purposes of financing the improvements, this Contract may not be assigned by the Energy Management Firm, either in whole or in part, without the written consent of the Department, such consent not to be unreasonably withheld.

48.0 **Subcontracting**

48.1 With respect to all subcontracts required for the implementation of the Improvements, the Energy Management Firm shall be responsible for complete negotiation, management, supervision, coordination and administration, including

(a) the verification of qualifications and expertise of each sub-contractor;

(b) the establishment of a price for each subcontractor; and

(c) the award of all subcontract(s).

48.2 The Energy Management Firm shall notify the Departmental Representative in writing of its intention to subcontract the whole or any part of this Contract and at least ___ ( ) working days before entering into a subcontract, will notify the Departmental Representative in writing of the name of the proposed subcontractor.

48.3 If the Department has had a poor working experience with the subcontractor described in section 48.2. the Departmental Representative may object to the intended subcontracting by notifying the Energy Management Firm in writing within ___ ( ) working days of receipt by the Department of the subcontractor's name.

48.4 The Energy Management Firm shall not enter into an intended subcontract if the Departmental Representative objects thereto under section 48.3.

48.5 The Energy Management Firm shall not change a subcontractor without the written consent of the Departmental Representative.

48.6 The Energy Management Firm shall within ____ ( ) working days after entering into a subcontract, deliver a copy thereof to the Departmental Representative.

48.7 Each subcontract will be signed by the Energy Management Firm in its own right and not as agent for the Department.

48.8 The Energy Management Firm is not excluded from any obligation under this Contract nor is any liability imposed upon the Department as a result of the Energy Management Firm having entered into a subcontract.

49.0 Notices, Orders, etc.

49.1 Any notice, order, decision, direction or communication given or required to be given by either party under this Contract shall be given in writing and it shall be deemed to have been received by the other party on the day it was delivered in person or, if mailed, on the sixth day next following the day on which it was mailed or, if sent by telex or facsimile, 24 hours after transmission.

49.2 The name and address of the main contact person for each party is as follows:

For the Department	For the Energy Management Firm
_____	_____
_____	_____
_____	_____

50.0 Canadian Labour and Materials

50.1 Wherever practicable and economical, the Energy Management Firm shall employ and use only Canadian labour and materials in the execution of the Improvements, employ local labour and utilize the services of the Canada Employment Centres for the recruitment of workers.

51.0 Health and Safety Impacts

51.1 Improvements must not under any circumstances compromise the quality of the indoor environment and must adhere to the requirements of the *Canada Occupational Safety and Health Regulations*, the Treasury Board Safety and Health Standards and all applicable building codes.

52.0 **Indemnity**

52.1 The Energy Management Firm shall indemnify and save harmless the Department from and against all claims, losses, damages, costs, actions and other proceedings, made, sustained, brought or prosecuted in any manner based upon, occasioned by or attributable to any injury, infringement or damage arising from any negligent act or omission of the Energy Management Firm, its servants or agents or persons from whom it assumed responsibility for the performance of services under this Contract.

52.2 The Department shall indemnify and save harmless the Energy Management Firm from and against all claims, losses, damages, costs, actions and other proceedings, made sustained, brought or prosecuted in any manner based upon, occasioned by or attributable to any injury, infringement or damage arising from any negligent act or omission of the Department, its servants, or agents or persons from whom it had assumed responsibilities under this Contract.

53.0 **Contract Security**

53.1 The Energy Management Firm shall, upon completion of the Final Design Documents and until satisfactory completion of the Improvements, provide the Department with a performance bond and a labour and materials payment bond each in the amount of at least 50 per cent of the Total Project Costs and in a form satisfactory to the Department.

(*Departments can elect to prescribe types and amounts of contract security*)

53.2 The security deposit referred to in section 53.1 will be retained by the Department until satisfactory completion of the Improvements after which it will be returned to the Energy Management Firm together with accrued interest at a rate established from time to time pursuant to applicable sections of the *Financial Administration Act*.

54.0 **Clearing of Site**

54.1 During the execution of the Improvements and upon their completion, the Energy Management Firm shall clear and clean each work site in accordance with any directions of the Departmental Representative, so as to render it tidy and free from accumulation of waste material and debris, and shall dispose of all hazardous waste in accordance with relevant standards and guidelines.

54.2 When normal departmental functions are expected to be carried on during regular business hours and energy efficiency improvement work is to be implemented in off-business hours, the Energy Management Firm shall, in accordance with any directions of the Departmental Representative, clear and clean each work site so as to render it tidy and free from accumulation of waste material and debris and shall, in accordance with relevant standards and guidelines, dispose of all hazardous waste.

55.0 **National Security**

55.1 If the Departmental Representative is of the opinion that the work is of a class or kind that involves the national security, he may require the Energy Management Firm or any subcontractor to provide him with any information concerning any persons employed or to be employed either directly or indirectly for purposes of this Contract and to remove any person from a work site if, in his opinion, that person may be a risk to the national security.

56.0 **Unsuitable Workers**

56.1 The Energy Management Firm shall, upon the request of the Departmental Representative, remove from a work site any person employed by it for purposes of this Contract who, in the opinion of the Departmental Representative, is incompetent or has conducted himself improperly and the Energy Management Firm shall not permit a person who has been removed to return to any of the Department's work sites.

57.0 **Emergency on the Site**

57.1 During the progress of the Improvements, in the event of an emergency that, in the opinion of the Energy Management Firm, requires immediate attention, the Energy Management Firm may take such action as it deems appropriate and if such action is not necessitated by the negligence of the Energy Management Firm, shall be entitled to add the cost of any necessary remedial measures to the Total Project Costs.

58.0 **Member of Parliament**

58.1 As required by the *Parliament of Canada Act*, no member of the House of Commons shall be admitted to any share or part of this Contract or to any benefit arising from this Contract.

59.0 **Conflicts of Interest**

59.1 No former public office holder who is not in compliance with the Conflict of Interest and Post-Employment Code for Public Office Holders shall derive a direct benefit from this Contract.

60.0 **Parties Bound by and Benefiting from This Contract**

60.1 This Contract shall inure to the benefit of and be binding upon the parties hereto and their executors, administrators, successors and assigns.

61.0 **Records to be Kept and Right of Audit**

61.1 The Energy Management Firm shall keep and maintain or cause to be kept and maintained records of its work performed under this Contract (including work performed on the Energy Management Firm's behalf by any agent) together with all proper invoices, receipts and vouchers related thereto and, when requested by the Departmental Representative, make such records available for inspection and audit.

61.2 The records described in section 61.1 are to be kept for a period of at least five years following completion of the Improvements.

62.0 **Errors and Omissions**

62.1 Notwithstanding any other provision of this Contract, no payments shall be made by the Department in respect of the cost incurred by the Energy Management Firm in remedying errors and omissions in drawings, calculations, designs, plans, specifications, reports and other data, information and material produced or work performed by the Energy Management Firm pursuant to this Contract.

63.0 **Public Ceremonies, Signs and Publicity**

63.1 Without the prior consent of the Departmental Representative, the Energy Management firm shall not

(a) permit any public ceremony in connection with the Improvements;

(b) erect or permit the erection of any sign or advertising on the work site;

(c) disclose any information obtained by reason of the work nor use such information for any other work; or

(d) use photographs or description of the work in any of their promotional or advertising material.

64.0 **Bilingualism**

64.1 The Energy Management Firm shall ensure that all signs, notices, etc. on each work site are posted in both official languages.

64.2 The Energy Management Firm shall ensure that manuals and publications for Facilities' managers, operators and occupants are prepared in both official languages.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the ___ day of _____ 19__.

FOR THE ENERGY MANAGEMENT FIRM
SEALED, ATTESTED TO AND DELIVERED on behalf of_____

_____
Signature of authorized signing officer

_____
(Print name of officer)

_____
(Print title of officer)

EXECUTED OF BEHALF OF THE DEPARTMENT by

_____
Signature of an authorized departmental officer

_____
(Print name of officer)

_____
(Print title of officer)

APPENDIX "A"

DETERMINATION OF SAVINGS

1.0 Determination of Energy Savings

1.1 The determination of Energy Savings will be effected by

(a) (i) comparing actual energy costs after implementation of the Improvements over a specific period to an estimate of energy costs derived from the Baseline Energy Consumption and Demand;

(ii) allowing for differences in heating and cooling degree days between the period in question and the equivalent period in the Base Year; and

(iii) using the Fast Accounting System for Energy Reporting program, produced by OmniComp of State College, Pennsylvania, or an equivalent program: or

(b) by calculation, in which case the Energy Management Firm will perform the necessary calculations, which will be subject to approval by the Department.

1.2 If within ____ ( ) working days of the Department's receipt of the Energy Management Firm's calculations (referred to in paragraph 1.1(b) of this Appendix), the Energy Management Firm does not receive notice from the department that it objects thereto, the Department shall be deemed to have approved the calculations.

1.3 The Department and the Energy Management Firm may, by mutual consent. elect to establish a formula for adjusting the Baseline Energy Consumption and Demand over the term of the Contract to account for growth or reduction in energy consumption.

2.0 Energy Savings and Escalation Factors

2.1 Energy Savings are determined by multiplying the energy saved by the greater of the actual energy rates or the rate that prevailed at the date of signature of this Contract.

2.2 The unit costs of energy demand and consumption will include any applicable taxes, levies and surcharges and will be the actual average utility costs charged by the supplier.

3.0 Determination of Operating Cost Savings

3.1 Operating Cost Savings, if any, will be based upon estimates presented in the Energy Feasibility Study and Concept Report and agreed to by the Department.

3.2 The estimates described in section 3.1 of this Appendix shall be in sufficient detail for the Department to verify that they are realistic.

3.3 Operating Cost Savings will be escalated by __ percent on January 1 of each year following the Commencement Date.

APPENDIX "B"
Total Project Costs SUMMARY
(Management Firm to fill out)
($)

	INT. LABOUR	EXT. LABOUR	SUPPLIES & MATERIALS	SUBTOTAL	O/HEAD & PROFIT	TOTAL PRICE
Energy Analyses	_____	_____	_____	_____	_____	_____
Commissioning	_____	_____	_____	_____	_____	_____
Engineering	_____	_____	_____	_____	_____	_____
Monitoring	_____	_____	_____	_____	_____	_____
Training	_____	_____	_____	_____	_____	_____
Project Management	_____	_____	_____	_____	_____	_____
Project Construction	_____	_____	_____	_____	_____	_____
Administration	_____	_____	_____	_____	_____	_____
Maintenance	_____	_____	_____	_____	_____	_____
Allowance for risk						_____
Financing Charges at _____%						_____
Performance Guarantee						_____
Gross Project Cost						_____
Incentives: specify	_____		$_____			
	_____		$_____			
	_____		$_____			
	_____		$_____			
Project Cost Net of Incentives						_____
Annual Energy Savings						_____
Payback in years (=Term of contract)						_____
Annual Energy Bill						_____

Total Project Costs _____

APPENDIX "C"

MANAGEMENT FIRM'S HOURLY RATES
(Effective)

Project Team Members	Hourly Rates

APPENDIX "D"

ELIGIBLE COSTS

Eligible Costs are comprised of

a) the expenditures incurred by the Energy Management Firm in connection with the implementation of the Improvements, including expenditures for the following items:

(i) all materials, machinery, equipment and goods, training materials, manuals, drawings and manufacturers' and installers' warranties,

(ii) preparation, inspection, delivery, installation and removal of materials, plant, tools, and supplies,

(iii) erection, maintainance and removal of temporary offices, trailers, sheds and other similar structures used in performing this Contract,

(iv) telephone, travel, printing, photocopying, FAX, and other general necessities, including dedicated telephone lines,

(v) rental of all equipment in accordance with rental agreements and then current schedule of rental rates, including

(A) any applicable insurance thereon,

(B) transportation of the equipment to and from the work site,

(C) loading of the equipment,

(D) installation of the equipment,

(E) dismantling of the equipment,

(F) removal of the equipment, and

(G) repairs and replacements of the equipment during its use,

(vi) all expendable materials, such as supplies, light, power, heat, water and tools (other than tools customarily provided by tradesmen) less the salvage value thereof, if any, at completion,

(vii) all architectural work,

(viii) all insurance policies and bonds obtained by the Energy Management Firm or contractors specifically for the implementation of the Improvements,

(ix) use of any patented invention,

(x) licenses and permits,

(xi) legal work performed on the Energy Management Firm's behalf in connection with the preparation and execution of this Contract and all documents relating thereto,

(xii) financing of the Improvements,

(xiii) interest required to be paid to consultants, engineers, subcontractors or suppliers on holdback amounts where the interest represents a real cost to the Energy Management Firm and is not included anywhere else in this Contract,

(xiv) metering and instrumentation,

(xv) workers' compensation levies or assessments paid in connection with the Improvements but not including Workers' Compensation levies for the Energy Management Firm personnel,

(xvi) engineering and other services not performed by the Energy Management Firm personnel,

(xvii) federal, provincial, and municipal taxes, where applicable, and

(xviii) any other items necessarily connected with the Energy Management Firm's duties hereunder; and

(b) when equipment is owned and supplied by the Energy Management Firm, the amounts that would normally be charged by the Energy Management Firm for the items listed in subparagraph a)(v) of this Appendix.

APPENDIX "E"

TERMINATION VALUE

The formula for calculating the termination value for the project is:

T = A+B+C+D+E-F

Where

T = The termination value.

A = The capital investment to date.

B = Interest on the investment to date.

C = The engineering time and expense for energy management to date.

D = Monitoring costs to date.

E = Eligible costs to date for the Improvements.

F = Payments made to the Energy Management Firm to date.

APPENDIX "F"

MANAGEMENT FIRM ANNUAL UPDATE TO NATURAL RESOURCES CANADA FEDERAL BUILDINGS INITIATIVE

(all current dollars)

For FBI office use - do not fill in
1. Contract ID Number
2. Facility ID Number

Please provide the following information:

3. Name of Energy Management Firm
4. Name of Department
5. Start Date of Contract
6. Year of Contract (e.g. first, second, third, etc)
7. Current Date
8. Province of Contract
9. How many facilities under this Contract?
   (If possible, prepare a separate Update form for each facility)
10. Facility Type
    - Residential O
    - Commercial :
      - Small Office (<10,000 sq m) O
      - Large Office (>10,000 sq m) O
      - Warehouse O
    - Institutional:
      - Hospital/Nursing Home O
      - Schools O
      - Other (Specify) O
    - Agricultural O
    - Other (Specify) O

11. Floor Area of Facility(ies) (m^2)
12. Gross Cost of Efficiency Improvements ($)
    (includes analysis, management, supplies, labour, financing charges, administration, profit and overhead)
13. Incentives/Rebates($)
14. Cost of Efficiency Improvements *Net of Incentives* ($)
15. Value of Energy Management Service Contract ($)
    *(= (annual energy bill+ annual savings)*length of Contract)*
16. Change in annual operating costs (specify rise or fall)($)

7. Type of Project:
(check off those which apply)

Lighting : O
- Compact Fluorescent O
- Electronic Ballasts O
- Electromagnetic Ballasts O
- Reflector Systems O
- Efficient Lamps (T-8 etc.) O
- Daylight Controls O
- Occupancy Sensors O
- High Intensity Discharge O
- Other (Specify) O

Building Envelope: O
- Insulation O
- Building Weatherization O
- Glazing and Glazing Control O
- Other (Specify) O

Demand Controls: O
- Direct Load Control O
- Distributed Load Control O
- Energy Management System O
- Other (Specify) O

Water Heating : O
- Load Control (cycling) O
- High Efficiency O
- Heat Pump Water Heater O
- Solar Assisted O
- Other (Specify) O

Motors : O
- High Efficiency O
- Variable Speed Drives O
- Other (Specify) O

HVAC: O
- High Efficiency Chillers O
- Multi-Stage Compressors O
- Economizers O
- Control Systems O
- Variable Air Volume O
- Load Control (cycling) O
- Heat Pumps O
- Space Heaters O
- Air Conditioners O
- Dehumidification O
- Thermal Storage O
- Gas Cooling O
- Heat Recovery O
- Other (Specify) O

Refrigeration : O
- High Efficiency O
- Other (Specify) O

Cogeneration O

Other (specify): O

18. Training of Facility Managers/Operators (specify dates)
Commenced _____ Finished _____

19. **Energy Use and Savings**

Energy Units

	Potential Annual Savings (as identified in Contract)	Actual Current Energy Use	Annual Energy Savings This Year
Gas (m^3)			
Oil (litres)			
Electricity (kWh)			
Demand (kW)			
Other (specify)			

Dollar Value

	Potential Annual Savings (as identified in Contract)	Actual Current Energy Use	Annual Energy Savings This Year
Gas ($)			
Oil ($)			
Electricity ($)			
Demand ($)			
Other ($) (specify)			

Adjustments and Modifications (since last report)

i.e. Designed to capture all significant variances from the baseline energy use estimate and the time when the variance occurred. Examples are: utility rate changes, changes in use of the facility (occupancy, hours of use), changes in incentives from utility, changes in materials use that affects energy.

Date	Type	Description
_____	_____	_____
_____	_____	_____
_____	_____	_____

Report Reference

FOR THE ENERGY MANAGEMENT FIRM

Report completed by _____

Date _____

FOR THE DEPARTMENT

Report Reviewed by _____

Date _____

FEDERAL BUILDINGS INITIATIVE

INITIATIVE DES BATIMENTS FÉDÉRAUX

DRAFT

MODEL TREASURY BOARD SUBMISSION

Disclaimer

This model Treasury Board submission is provided for a department's use in seeking Treasury Board approval to undertake energy efficiency improvements under the Federal Buildings Initiative. It is the **responsibility of the department** to adapt this document to meet its own particular requirements and to ensure that Treasury Board's guidelines are followed.

ÉBAUCHE

MODÈLE DE SOUMISSION AU CONSEIL DU TRÉSOR

Déni de responsabilité

Ce modèle de demande de soumission au Conseil du Trésor est mis à la disposition des ministères désirent obtenir l'autorisation du Conseil du Trésor afin de mettre en place des améliorations du rendement énergétique dans le cadre de l'Initiative des bâtiments fédéraux. **Le ministère est seul responsable** de l'utilisation et de l'adaptation de ce document afin de servir ses besoins particuliers. **Le ministère est aussi responsable** du respect des lignes directrices du Conseil du Trésor lors de la rédaction de sa demande de soumission.

25 May/mai 1994

SUBJECT

Authority to enter into an energy management service contract.

Preliminary project approval (PPA) and effective project approval (EPA) for the capital part of the energy efficiency improvements.

(required only if capital project approval authority is exceeded)

PROPOSAL

To contract with (include name and address of the company) for the management and implementation of energy efficiency improvements.

DEADLINE

The bid expires on (specify the bid expiry date) and failure to receive approval by that date will result in (specify consequences of failure to receive approval by the specified date).

COST, CASH FLOW AND SOURCE OF FUNDS

No additional funding required.

TENDERS (PROPOSALS)

An invitation to tender was sent to energy management service companies (include number of companies) considered capable of providing a full range of energy services, including energy efficiency improvements, management services, energy monitoring and training. In response to this tender, the following 3 (more than 3 can be retained) valid bids were retained of which the best value is being recommended: .

(include a table with names of companies with costs).

OBJET

Pouvoir de conclure un marché de gestion de l'énergie.

Approbation préliminaire d'un projet (APP) et approbation définitive d'un projet (ADP) pour la partie d'immobilisations des efficacités énergétiques.

(requis seulement si l'autorité d'approbation des projets est surpassée)

PROPOSITION

Passer un marché de gestion de l'énergie avec (inclure le nom et l'adresse de la compagnie) pour la gestion et la mise en place de mesures du rendement énergétique.

DATE LIMITE

L'offre expire le (spécifier la date d'expiration de l'offre) et tout retard de l'approbation pourra entraîner les conséquences suivantes (spécifier les conséquences de la réception en retard de l'approbation).

COUT, ENCAISSE ET PROVENANCE DES FONDS

Aucun fonds additionnel requis.

SOUMISSIONS (PROPOSITIONS)

Un appel d'offres a été envoyé à certaines sociétés de gestion de l'énergie (inclure le nombre d'entreprises) jugées capable de fournir un ensemble de services énergétiques pouvant englober des services d'amélioration du rendement énergétique, de gestion, de contrôle de la gestion de l'énergie et de formation. En réponse à cet appel d'offres, les trois (3) offres valides (plus de trois (3) offres peuvent être retenues) que voici furent retenues et la meilleure valeur recommandée:

(inclure un tableau avec le nom des compagnies avec les coûts).

REMARKS

(Address matters listed in Attachement A)

- On November 7, 1991, Treasury Board authorized any contracting department to enter into and amend a service contract to acquire energy services. These services include energy supply, energy efficiency improvements, management services, energy management monitoring and training.

- In order for the department to acquire energy services, the total value of the contract, including the energy bill and any amendment, is not to exceed $25 million.

- Departments also have to seek Treasury Board approval for their first energy services contract over $1 million.

- As the result of a preliminary energy audit peformed on various buidlings, the department believes that it can substantially reduce the cost of operating its facilities by implementing energy efficiency improvements.

OBSERVATIONS

(Décrire les considérations contenues dans la pièce A ci-jointe)

- Le 7 novembre 1991, le Conseil du Trésor a autorisé les autorités contractantes à inclure et à modifier des marchés de services en vue d'obtenir des services énergétiques pouvant englober des services d'approvisionnement énergétique, d'amélioration du rendement énergétique, de gestion, de contrôle de la gestion de l'énergie et de formation.

- Afin d'acquérir des marchés de services, la valeur totale du marché, y compris le coût d'énergie et les modifications, ne doivent pas dépasser 25 millions de dollars.

- Le ministère doit aussi obtenir l'approbation du Conseil du Trésor pour le premier marché de services dont la valeur est supérieure à un million de dollars.

- À la suite d'une vérification sommaire effectuée sur divers bâtiments, le ministère croit qu'il lui serait possible d'utiliser l'énergie plus judicieusement et de réduire de façon appréciable ce qui lui coûte l'exploitation de ses bâtiments par la mise en place de mesures du rendement énergétique.

- (Explain in general terms the nature and scope of work to be performed)

(Example)

The energy efficiency improvements include installation of high efficiency lights and motors, modifications to heating, ventilating and air conditioning systems, upgrading of building envelopes, and changes to operating and maintenance practices.

- The estimated cost of the energy efficiency improvements is $_____ and the energy management contract will be for a term of ___ years, all in accordance with Treasury Board Guideline APB 3800-001.

- Source of funds for the department will be the energy savings accruing from the implementation of the energy efficiencies.

- The energy management firm will be responsible for acquiring the capital required to implement the energy efficiency improvements.

(add a schedule showing cashflow and payback period. The schedule should also show capital acquisitions)

- (Décrire dans des termes généraux la nature et l'envergure du travail à exécuter)

(Example)

Les améliorations du rendement énergétique comprennent l'installation de systèmes d'éclairage et de moteurs à haut rendement, la modification des systèmes de chauffage, de ventilation et de conditionnement d'air, l'amélioration de l'enveloppe des immeubles ainsi que la révision des pratiques de fonctionnement et d'entretien.

- Le coût estimatif des améliorations du rendement énergétiques est de $_____ et la durée du marché de gestion de l'énergie sera d'au plus ____, le tout en fonction de la ligne directrice du Conseil du Trésor DPA 3800-001.

- Le ministère utilisera les économies d'énergie réalisée suite à la mise en place des mesures d'efficacité énergétique.

- La société de gestion de l'énergie se chargera d'obtenir le capital requis afin d'effectuer les améliorations du rendement énergétique.

(inclure un tableau indiquant les sorties de fonds et la période de récupération. Le tableau devra mettre en lumière les acquisitions d'immobilisations)

- Under the energy management service contract, the energy management firm will invoice the department for energy efficiency improvements made to the buildings. Payments to the energy management firm will be equivalent to the energy savings. Incentives from the utility company will accrue to the energy management firm and reduce the length and value of the contract.

- The department will pay the new lower energy bill directly to the utility.

- The department will not be paying any more than its total current energy bill.

- Au titre du contrat de services éconergétiques, la société de gestion de l'énergie facturera le ministère pour les améliorations du rendement énergétique effectué à l'édifice. Les paiements à la société de gestion de l'énergie seront équivalents aux économies d'énergie. Les mesures d'encouragement offertes par les sociétés de services publics seront versées à la société de gestion de l'énergie et serviront à réduire la période de récupération.

- Le ministère payera la nouvelle facture d'énergie, désormais moins élevée, directement auprès de la société de services publics.

- Le ministère ne payera pas plus que les frais d'énergie qu'il paye maintenant.

DEPARTMENTAL CONTACT

For further information, please contact (name and title) at (telephone number).

PERSONNE-RESSOURCE

Pour plus de renseignements, prière de communiquer avec (nom et titre) au (numéro de téléphone).

ATTACHEMENT A

Checklist of matters to be addressed

1. Explain in general terms the nature and scope of work to be performed, including specific deliverables, and its relationship to the departmental program and its objectives.

   Include references to any previous TB or Cabinet approvals, including program or project approvals.

2. If the best value or lowest tender is not recommended, explain why fully. Justify the premium to be paid in terms of additional value to the Crown. If evaluation criteria are used, explain in general terms the rating system used and the points assigned to each proposal. This may be included as an Appendix to the submission.

3. If any non-responsive tenders or proposals were received, include a brief explanation of the reasons for disqualification.

4. In the case of a directed contract:

   a. identify the provision of section 6 of the Government Contracts Regulations under which the proposed contractor was selected without competition, and provide a full explanation of the use of that provision; and

PIECE JOINTE A

Fiche de contrôle des points à examiner

1. Décrire dans des termes généraux la nature et l'envergure du travail à exécuter, en indiquant les produits spécifiques, et expliquer comment le travail se rattache au programme ministériel et à ses objectifs.

   Indiquer les références à toutes les décisions antérieures du Conseil du Trésor ou du Cabinet, y compris les approbations relatives au programme ou au projet.

2. Si la recommandation ne porte pas sur l'offre ayant la meilleure valeur ou la plus basse, expliquer pourquoi. Justifier le prix plus élevé qu'il faut payer en fonction de la valeur accrue dont bénéficiera Sa Majesté. Si l'évaluation se fait à l'aide de critères, décrire dans des termes généraux le système de notation utilisé et le pointage donné àa chaque proposition. Cette justification peut être contenue dans un document annexé à la présentation.

3. Si des offres ou propositions ne répondant pas aux critères ont été reçues, indiquer brièvement pourquoi elles ont été écartées.

4. Dans le cas d'un appel d'offres restreint:

   a. préciser la disposition de l'article 6 du Règlement sur les marchés de l'État en vertu duquel l'entrepreneur proposé a été choisi sans concours. Donner une explication complète du recours à cette disposition;

b. substantiate the fairness and reasonableness of the price, in terms of market prices, examination of costs, comparison to departmental estimates, etc.

5. Where possible, include information on Canadian content and other industrial or socio-economic benefits, such as employment maintained or created.

6. Exceptions to policy or normal contracting practices should be fully explained. Requests for exceptions to policy must be included in the PROPOSAL. Treasury Board Manual-Contracting Volume provides more detailed guidance for the preparation of contract submissions.

b. justifier le caractère équitable et raisonnable du prix en fonction des prix du marché, de l'étude des coûts, de la comparaison du prix avec les estimations du ministères, etc.

5. Si possible, inclure des renseignements sur le contenu canadien et sur les autres retombées industrielles ou socio-économiques comme le maintien ou la création d'emplois.

6. Il faut expliquer à fond les exceptions à la politique et aux pratiques normales relatives aux marchés. Les demandes d'exception à la politique doivent être contenues dans la PROPOSITION. Pour plus de détails sur la préparation des propcsitions de marché consulter le manuel du Conseil du Trésor sur les Marchés.